

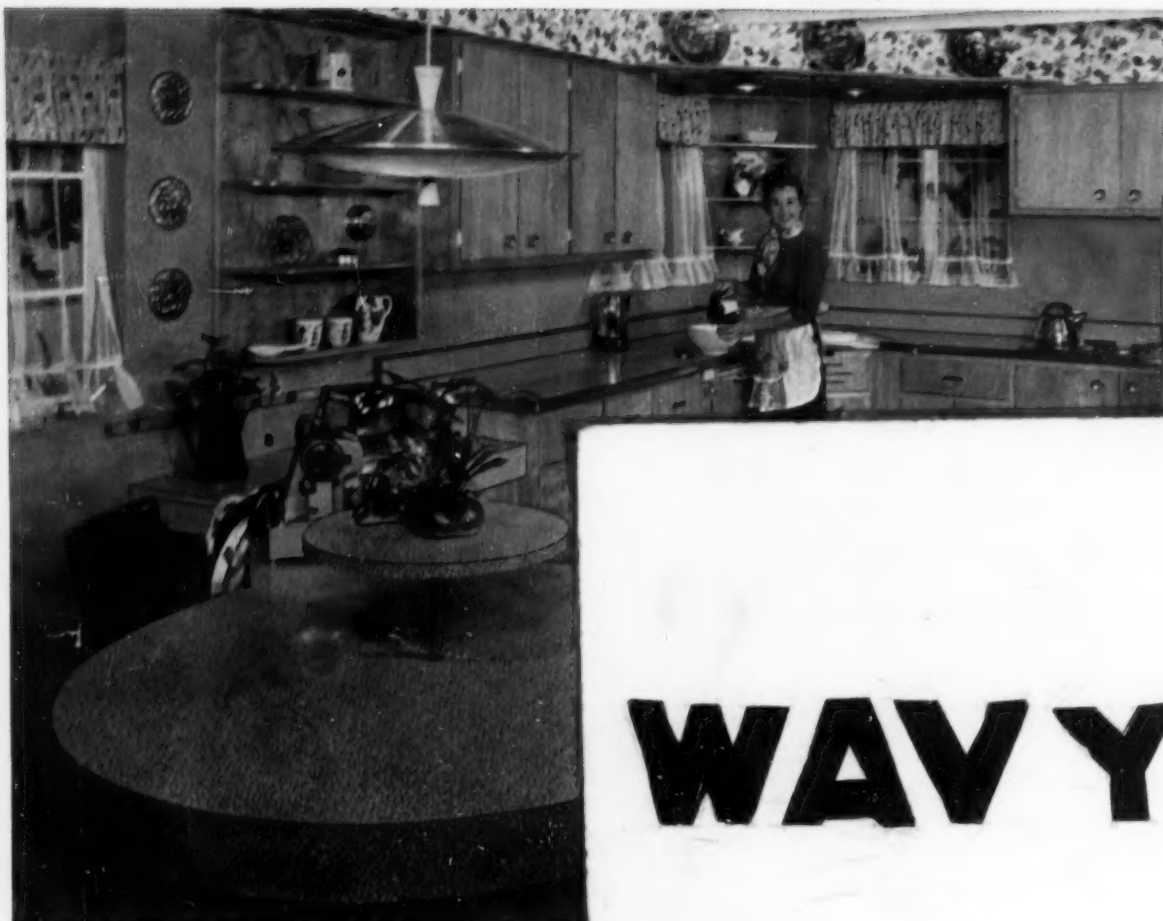
NATIONAL REAL ESTATE and BUILDING JOURNAL



JANUARY

1955

Builders Need Realtors
In Competitive '55—page 20



WAVY

**BRAND NAMES
are the
"POWER TOOLS"
of
SELLING**

The w
cuts a
cream
brand

One s
kitchen

every Formica sheet. Tell your fabricator you want this marking left on all Formica in your house until it is sold. Let your prospect see for herself that you are giving her the very finest—the brand name she knows and trusts.

DEMAND THIS CERTIFICATION

This mark certifies genuine
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*Seeing is believing. If this wash-off identification
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It's Not An Advertised Thing

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FORMICA
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THE FORMICA COMPANY

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We'll be looking for you at the FORMICA display at the N. A. H. B. Chicago show.

PAGES

Ed

SEE THE NEW MODELS IN CHICAGO

Transportation will be furnished during the NAHB Convention to the Scholz 1955 models in Lake Forest—Chicago's most exclusive North Shore suburb. Tours start from the Scholz exhibit, Third Floor, Hilton Hotel.

All photographs by James F. Strong Studio, Toledo, Ohio
scholz homes, incorporated
2001 N. WESTWOOD, TOLEDO 7, OHIO



**BRAND NAMES
are the
"POWER TOOLS"
of
SELLING**

The woods are full of builders who know the profitable short cuts of production tools—but the builders who skim the profit cream are those who know the sales power of well known brand names.

One such tool that is yours to use in every Formica surfaced kitchen is the wash-off identification printed directly on every Formica sheet. Tell your fabricator you want this marking left on all Formica in your house until it is sold. Let your prospect see for herself that you are giving her the very finest—the brand name she knows and trusts.

DEMAND THIS CERTIFICATION

This mark certifies genuine
REMOVE WITH SOAP AND WATER

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is not on the surface, it's not FORMICA.*



Beauty Bonded
FORMICA
REG. U. S. PAT. OFF.

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scholz
California contemporary for 1955
homes

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NATIONAL REAL ESTATE and BUILDING JOURNAL

THE MAGAZINE OF HOME MERCHANDISING

VOLUME FIFTY SIX • JANUARY • NINETEEN FIFTY FIVE

Cover photo by
ROBERT CLEVELAND



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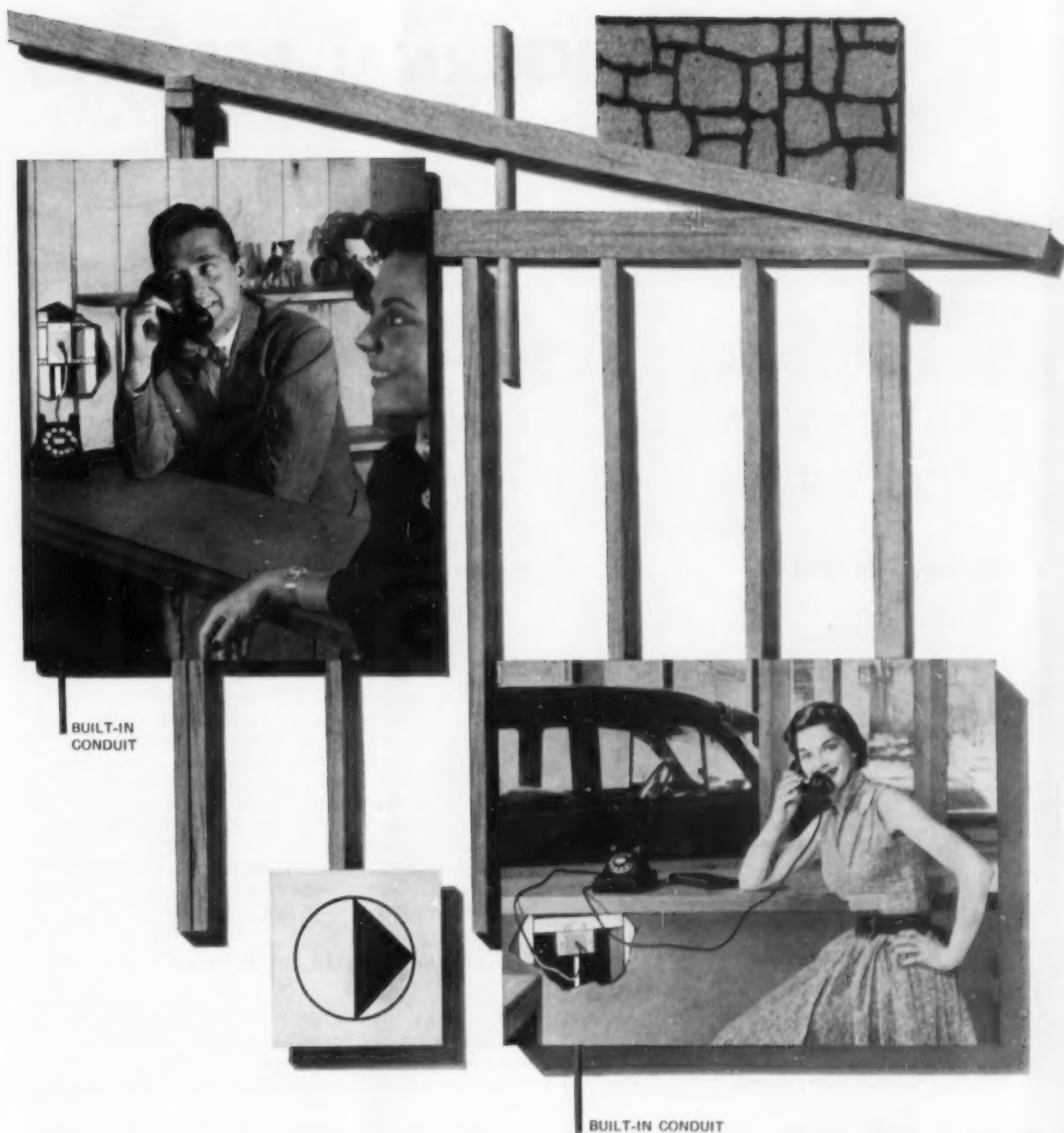
CONTENTS

ABOUT THE AUTHORS	8
WHY DIDN'T YOU MAKE THAT LAST SALE?	8
PRODUCT PROGRESS	12
ANDERSON'S OPEN FORUM	16
EDITORIAL	19
BUILDERS NEED REALTORS IN COMPETITIVE '55	20
WHAT BUYERS LOOK FOR IN HIGH-PRICED HOMES	22
SALES BRISK IN OVER-\$20,000 BRACKET	23
TWO NEW APARTMENTS PACKED WITH TENANT-APPEAL	24
SHOULD YOU ACCEPT OPEN LISTINGS?	24
PLANNING A TWO-STORY OFFICE	26
KIDS CAN CUT YOUR MAINTENANCE COSTS	27
WHAT MAKES A GOOD REAL ESTATE SALESMAN? • By Frank A. DeBoos	28
JOBS FOR POST CARDS	29
HOMES OUR READERS ARE BUILDING	30
KEEP OUTDOOR SIGNS NEAT	31
A COMPLETE SYSTEM OF MANAGEMENT FORMS	32
DOES YOUR SHOPPING CENTER MEET CHAIN STORE NEEDS? • By Robert Sturgeon	34
APARTMENT MANAGEMENT WITH A WOMANLY TOUCH	35
TAX FACTS • By E. H. Welter	36
THE LAW SAYS • By George F. Anderson	40
AMONG OURSELVES	42

PREVIEW OF COMING ISSUES

Look for these features in next month's JOURNAL: Minneapolis Realtor William Cusack's article on selecting salesmen scientifically . . . Investor Louis J. Glickman's advice on types of information prospective investors want about income-properties . . . Miami Beach Realtor Jack Justice's system for controlling ad costs . . . Detroit Builder Edward Rose's trade-in house plan . . . Plus new legal and tax court decisions.

January, 1955 — NATIONAL REAL ESTATE AND BUILDING JOURNAL



Providing for enough telephone outlets in the right locations
 is good home-selling strategy. And it means buyers will
 always have the telephone service they want
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Your Bell telephone company will be glad to help you work out economical conduit installations.

Just call your nearest business office.

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THE JOURNAL REPORTS



Over-Production In Sight?

Over-production in non-farm housing units is in sight, some experts now say. November's 103,000 starts marked an all-time high for that month, a decline of a mere 3% from October.

These analysts say January and February should show whether the residential market is being saturated.

In general, however, optimism is as high as production. Most predictions for '55 are for 1.3 million starts as a peak.

Through November, the cumulative '54 total is 1,222,800 — almost 20,000 more starts than in all of '53.

Ten Year Report On GI Loans

Three and a half million veterans have borrowed more than \$23.5 million for homes, farms and businesses since the GI loan program was begun ten years ago. So says the Veterans Administration in a new 140-page booklet.

VA estimates there are still three million veterans who will use GI loan privileges — at least a million

more from World War II and two million veterans with service since the outbreak of the Korean War in June, 1950.

Insurance Company Realty Investments Rise

The Institute of Life Insurance reveals that life insurance companies have invested a total of \$2.2 billion in real estate. This marks an increase of \$211 million during the first nine months of 1954 (compared with the total investment in January, 1954).

Availability of life insurance company money is reflected elsewhere. Oliver M. Walker, chairman of Mortgage Council of NAREB, reports that loans on industrial and other business properties are generally available, and at reasonable rates.

"In most sections of the country," Walker says, "the predominant interest rate on commercial and industrial property with national credit 'tenants' is 4½% or less. About one-half the areas find 5% and lower rates prevailing for local credit leases. Some members of the Mortgage Council still report rates between 5% and 6% in isolated communities."

Mortgage money for commercial properties in secondary locations continued to be somewhat scarcer, according to the Council's report. Rates for these properties are slightly higher than rates for top location properties.

Loans on commercial property are more easily obtainable, at slightly better rates, in cities of 50,000 and up than in communities of less population.

Chinnock on "How To Buy A House"

The American Magazine's December issue carries an article by 1954 NAREB president Ron Chinnock. Chinnock declares the existing home market has the best buys for the home-seeker. In used homes, Chinnock says, prices have dropped 10% in the last two years.

"When you buy a house," advises Chinnock, "you also buy a community, a neighborhood, a way of life."

The article gives a 12-point list of items to look for when buying a house. Chinnock recommends that home buyers look around quite a bit before they buy so they'll recognize a good buy when they see one.

NAHB to Feature A "How To" Circus

The National Association of Home Builders' annual convention in Chicago, January 16-20, will feature a "how-to-do-it-better" theme. So much "how-to" emphasis is being placed on the convention. NAHB leaders say, that they're calling it a "how-to-do-it-circus."

Expecting some 20,000 persons to attend, NAHB officials report there will be 544 exhibit spaces showing products from 53 different classifications, includ-

CASH or LONG TERM LEASE FOR HOTEL PROPERTIES!

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FRESH look

in sturdy steel to last a housetime!



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This increase in value is permanent because steel Youngstown Kitchens are built to last a housetime. In addition:

- They're lovelier, featuring the FRESH look!
- They won't warp, rot, swell, stick or splinter!
- Factory finishes are baked on—to last!
- Rigid quality control insures years and years of trouble-free service!

AND . . . steel Youngstown Kitchens
are best known by 5 to 1!

Whether you're investing in new construction or in home modernizing, all-steel Youngstown Kitchens make your property more valuable, *permanently!* See for yourself. Write for new full-color "Answer Book," to: Dept. NR-155, Mullins Manufacturing Corporation, Warren, Ohio.

 **STEEL**
Youngstown Kitchens

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MULLINS MANUFACTURING CORPORATION • WARREN, OHIO
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Executive-Type Salesman Over 40

If you are over 40, free to travel, and have a successful sales record — preferably in real estate — you may qualify for a sales position now open with a company of long-standing reputation. This position requires unimpeachable integrity, ambition, and industry. If you are interested, address your inquiry to

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ing air conditioning, electrical equipment, flooring and paints. There will be sessions on all phases of home building, as well, ranging from techniques of nail-driving to financing procedures.

Speakers include Norman Vincent Peale, clergyman and author of "The Power of Positive Thinking," Seaborn P. Collins, National Commander of the American Legion, Carlos P. Romulo, Philippine soldier and statesman.

How To Liquidate Public Housing

New housing law provisions enable private investors to buy up government owned and controlled property and thus eliminate public housing. That it should be done as quickly as possible is the opinion of most industry leaders.

Ronald J. Chinnock, banging away at public housing as "a special privilege and a political racket," says it has failed to help those families who have needed help most. Main point is to break governmental authority over public housing developments and resulting influence on local government.

Senate Report on FHA Scandal

The Senate Banking and Currency Committee ended its eight-month-long investigation of the FHA, publishing its findings in a detailed report.

The committee found at the root of the trouble "a few dishonest builders" and "a few dishonest FHA officials" — with \$76 million in windfall profits in 437 of the 543 projects that were investigated.

Committee members, mainly Senators Capehart (Rep., Ind.) and Sparkman (Dem., Ala.) disagreed about the relative extent of the scandal and the main responsibility for it.

Newspapers remarked editorially that the scandals have given the whole housing industry a black eye — and suggested that part of the responsibility must be borne by the industry.

About the Authors

ROBERT STURGEON, assistant v.p. of Albert M. Greenfield & Co., is in charge of chain store leasing for his firm. He assists in the management and development of seven regional shopping centers in the Philadelphia area. He has also assisted in the selection of shopping center sites for City Stores Corporation, Loft Candy Corporation, Bonwit Teller and City Specialty Stores Co., and knows the realtor's problems as well as those of the chain store real estate officer.



Why Didn't You Make That Last Sale?

WHY DOES A SALESMAN fail to make a sale? George Vinson, director of a special school for sales executives at Rutgers university, says these are the principal reasons:

1. He didn't get enough information in his pre-approach.
2. His approach was very weak.
3. His sales story didn't have enough reasons to buy.
4. He couldn't explain an objection or two.
5. He only tried to close the sale once.
6. He didn't give the account proper service after the last sale was made.

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26 days in EUROPE
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**BUILDERS'
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It's Easy!

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Nothing special to do...

Send in the coupon below for your Contest Kit containing
complete information. Or see us at Booths 575 and 576,
Sherman Hotel during the NAHB Show!



CARR, ADAMS & COLLIER COMPANY, Dubuque, Iowa
(Established 1866) NR

Please send me a "1955 BILT-WELL BUILDERS' CONTEST KIT," with official entry
blanks and complete specifications on all BILT-WELL Products.

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COMPANY _____

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Cost-cutters for projects. The P & H Miti-Mite, a 7-ton truck crane that can dig pipe trenches as a trench hoe, do backfilling as a dragline, dig basements—*do anything*. The P & H Single Pass Soil Stabilizer leaves a completely pulverized, mixed and spread road base after a *single pass*. As a P & H Home builder, you or your subcontractors can buy or lease Harnischfeger equipment, call on P & H construction know-how, and really save money.

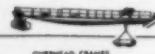


financing

Faster commitments, less investment when you build P & H Homes. Harnischfeger's Builders Acceptance Company makes sure you get construction loans and final mortgages; the Finance Service Dept. helps with processing. Commitments come through faster because lenders know the Harnischfeger name, and

because evaluation and processing are standardized with P & H Homes. **No investment,** construction does not start until the loan is opened. You pay subs from mortgage draws, get final payout almost before bills come in. House is complete 30 days after loan OK. Your capital does more when you build P & H Homes.

the **P&H** Line



Streets & Mortgages, Too

Now P & H Offers a Complete Building Program

... streets & sewers ... house ... financing

There's more to building than putting up a house. That's why builders turn to P & H Homes and Harnischfeger to cut *all* their costs—from site development to financing. They get a really complete building program—the *equipment* and *know-how* for efficient project development, the *house* for fast profitable building, the *financing company* for construction loans and mortgages . . . The P & H Home itself solves a lot of building problems. Overhead and site time are cut, and P & H Homes *do sell*.

Street-building, sewer-laying, practically any "mud pushing" job is less costly working with P & H. Harnischfeger has been in construction for 70 years, so you have plenty of know-how to call on—and cost-cutting equipment like the P & H Miti-Mite and Soil Stabilizer. . . And P & H has its Financing Service Department and subsidiary Builders Acceptance Company to help you with loans, mortgages and processing . . . Enjoy prefab savings *all around*. Build P & H Homes.

the P & H home

More house for the money—that's the reason most P & H builders sell more homes more profitably. P & H Homes—in the \$6,000 to \$20,000 range—offer careful construction and brand-name quality materials usually found only in higher priced homes. More space and better design, too. There's more profit in P & H Homes. A good crew can have a house up and enclosed in 6 hours; no waste of time or materials. Less ordering and inventory, less overhead. Finally, each step of work is complete on schedule, subs or buyers never have to wait. And you know all your costs with P & H Homes.



SEE P & H AT THE NAHB SHOW

Visit the P & H model home and booth 13 at the NAHB Show, Hilton Hotel, Chicago. Ask about the Builders Open House. Or write or phone Harnischfeger Corporation for P & H Profit Plan today.

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51 Spring St., Port Washington, Wis. Phone 611

70 years in construction • 20 years in prefabrication

Product Progress

A Mark of Distinction



cent lighting is at the shadows.

The 1954 House of Ideas in West Hartford, Connecticut, includes three Philip Carey products, the Duette Custom bathroom cabinet, Fire-Guard insulation and built-up roofing. The Duette cabinet has the advantage of twice the space with twin sliding doors which eliminate swinging doors and bumped heads. Combining beauty and utility, its central translu-

1-1

Yes — It's Prefabricated

1-3

Admiral Homes of Pittsburgh, Pennsylvania now offers a 2-story luxury-type prefabricated home with four bedrooms and two and a half baths. It includes a two-car garage and has overall dimensions of 60 by 30 feet. The basement features areas for recreation, storage, utilities and lavatory. Price is between \$25,000 and \$28,000 depending on what types of material are used and what extras are included.



America's First

1-2



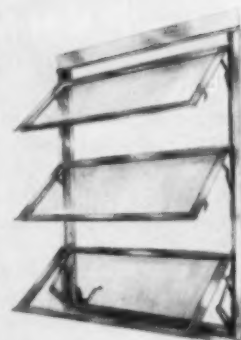
and any tendency to impart color to the water being softened. Push one button to backwash — a second

This new Culligan automatic water softener is appliance-styled to harmonize with your home laundry equipment, say the manufacturers. It is 36 inches high and is finished in white baked enamel on bonderized steel. This unit contains Culligan High-Capacity Cullex, a resin/zeolite of high softening capacity and durability. Cullex is tested to insure the absence of all taste, odor,

Wonder Window

1-4

Ludman Corporation, North Miami, Florida, has introduced this new Auto-Lok aluminum awning window with torque bar operation. The bar brings in the bottom night vent and does not exert any pressure on the hinge points of any other vents, which are locked automatically. The bar is concealed in the sill and all anchor housings have been eliminated on the jambs. Ludman's "Power - Light" operator, for smooth and easy operation, in either over the sill or angle type styles will be standard equipment on this new model.



Handy Inquiry Form

NATIONAL REAL ESTATE AND BUILDING JOURNAL
427 Sixth Avenue S.E.
Cedar Rapids, Iowa

I want to know more about the items checked below. Please see that complete information is sent to me without cost or obligation.

1-1 _____ 1-2 _____ 1-3 _____ 1-4 _____
1-5 _____ 1-6 _____ 1-7 _____ 1-8 _____

Name _____ Title _____

Building or Firm _____

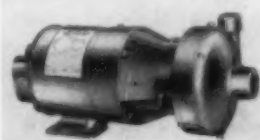
Street _____

City _____ State _____

Water Pressure Booster

1-5

Manufactured by Bell & Gossett Company, Morton Grove, Illinois, this pressure booster is a centrifugal pump of corrosion-resistant bronze construction. Small and compact, it utilizes a specially designed and constructed sleeve bearing motor for extra quiet operation. The pump can be installed directly in the lead-in pipe from the water main and is operated automatically



(Please turn to page 41)



Visit booths 166 & 167
(Conrad Hilton)
at the NAHB show
in Chicago, to hear how—

Features of the future today give increasing value to the **modern** franchise!

Styling excellence, exclusive features of dramatic appeal, fine craftsmanship, and quality materials are attracting crowds of prospects to Modern Homes dealers' model houses.

The trend to quality homes, now becoming more and more apparent, has been from the beginning Modern's design and production philosophy. The increasing successes of franchised Modern Homes builders bear it out.

Realtors who have been searching for a volume source of homes for their most select areas have found their answer in Modern Homes. And new, exclusive features originating in Modern's Research and Product Development Department have these realtors looking to still greater successes in 1955.

Moderns offer doubled benefits to realtors who build their own homes. Won't you visit our booths in Chicago, to discuss with us the advantages to you of a Modern Homes association? *Modern Homes Corporation, 14507 West Warren Avenue, Dearborn, Mich.*

1. Styling leadership—Whatever the orientation on a lot, Modern Homes have the look of smartness and quality that only full-time architectural development can achieve. The low, long look, the low-pitched roof with its wide overhang, are now Modern trade-marks.



2. Exclusive features—Modern Homes' Research and Product Development Department has introduced entirely new sales-sparking features to residential building—including the widely heralded power-operated windows, acoustical ceilings, Klear-Span steel floor system.



3. Quality emphasis—Modern Homes are designed for quality builders... fabricated with precision, of the finest materials. To help the builder follow through with this quality emphasis, Modern helps train erection crews, helps plan sites, helps achieve effective color styling.



4. Advertising appeals—In *Living for Young Homemakers*, *Better Homes and Gardens*, and *Small Homes Guide*, Modern Homes advertising is designed to add the powerful sales-extra of prestige—the reputation for excellence that influences discriminating buyers.



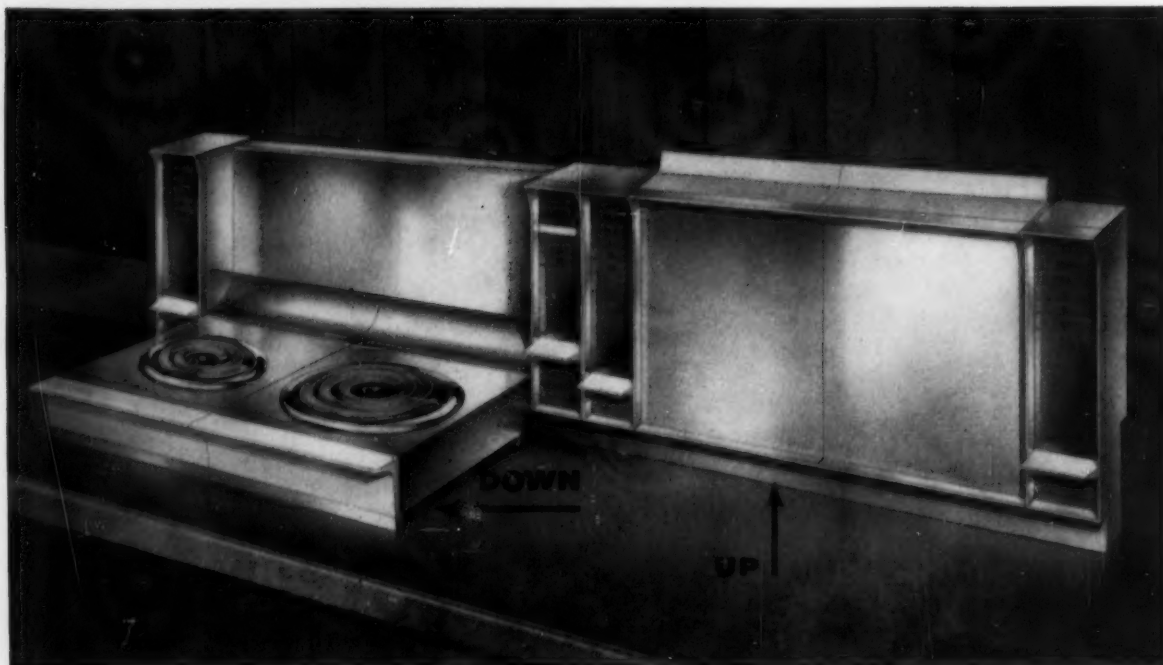
5. Open House promotion—With newspaper mats, radio and TV scripts, signs, photographs, displays, and quality literature, Modern Homes helps the franchised builder-dealer make Modern's styling, features, and quality pay off in profitable volume sales.

modern  **homes**

Modern Homes Corporation • Dearborn, Michigan • Port Jervis, New York

FRIGIDAIRE ANNOUNCES

Revolutionary New "Built-In" Range Units



Believe it or not, this is the "Top of the Range" for your new built-in kitchens

This brand new design from Frigidaire and General Motors sets the pace for built-in surface cooking in today's modern homes. Separately controlled "Fold-Back" units use no work surface in up position. Simply pull down individually for cooking.

Lift back up and unit turns off automatically, leaving all of counter top free for other use. Each section contains one 6" and one 8" Radiantube Surface Unit. Needs only a 30" wall surface for each section. Stainless steel, plastic trim.

Frigidaire's Giant Imperial Wall Oven with revolutionary new "French Doors"



Here's the first full-size built-in oven — 17" wide; 18" high; 20½" deep. Same size, same wonderful baking and roasting features you'll find in Frigidaire's finest ranges. Exclusive new "French Doors" swing out, and back out of way to save kitchen space. No awkward pull-down doors — no groping at arm's length. Give women quick, easy access to food they're cooking. Easy to use, easy to clean. Up-top controls at easy-reach level are out of children's reach, protected from heat when broiling. Cook-Master Oven Control turns oven on, cooks meal, turns oven off — all automatically! Separate frame and oven install easily into cabinet or wall space.



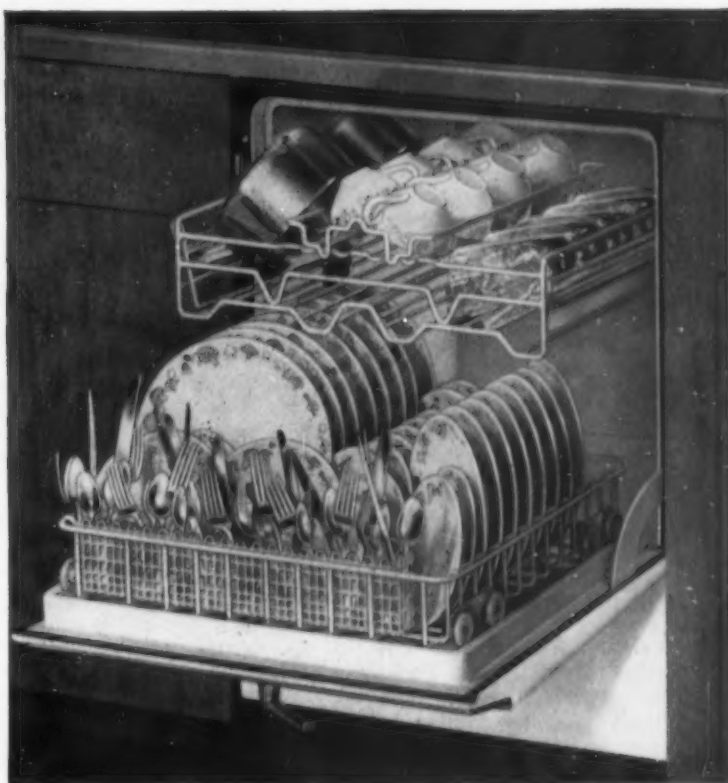
... and New Automatic Dishwashers



**Exclusive "Turbo-Spray" Action
makes 5-minute
dishwashing come true!**

Builders know that a vital factor in selling new homes is the fulfilling of housewives' dreams of completely automatic kitchens. And the final sale-clincher is an automatic dishwasher that (1) really saves time and work, and (2) bears the world-famous Frigidaire trade-mark. And here it is at last! Here's a dishwasher that frees women from the tiresome chore of pre-rinsing by hand and simplifies loading. Exclusive "Turbo-Spray" Action really scrubs away egg yolk, lipstick and hardened grease. It makes the dream of 5-minute dishwashing come true — 2 minutes to scrape, once over lightly — 3 minutes to load, then push the button.

In addition to the undercounter model, Frigidaire also makes a sink-combination, a cabinet model and a portable model. All with Lifetime Porcelain rust protection where it counts the most. All in a choice of Frigidaire Appliance colors: Sherwood Green, Stratford Yellow or snowy white.



New Frigidaire Food Waste Disposers are easily installed on most sinks. Fast and dependable. Shreds bulky foods, cuts fibrous foods, pulverizes hard, brittle foods.

**See all these new Frigidaire models
at the 1955 National Association
of Home Builders Show**

**Conrad Hilton Hotel, Chicago
Booth 168 • January 16 to 20**

Frigidaire Appliances Built and backed by General Motors

Now builders can offer
the sales magic of a
COMPLETE Frigidaire
kitchen and laundry

Refrigerators



Automatic Washers
and Electric Dryers



Electric
Ranges



Electric
Ironers



Air
Conditioners



Chest-type and
Upright Food
Freezers



Get complete details from your
Frigidaire Dealer or the Frigidaire
Distributing Headquarters
office that serves your area.

Anderson's

Open Forum

Dear Mr. Anderson:

I understand from one of your articles that a licensed realtor, who does not have an exclusive listing, would have no rights at all.

I do not agree with your reasoning and don't think you should write anything that would discourage a licensed realtor from protecting himself from an unscrupulous owner who thinks only of himself.

I have collected commissions on non-exclusive listings in more than one case similar to the one mentioned in your article. I think you should write another article retracting your statement that, "The owner owes no duty of cooperation to a broker on a non-exclusive listing." It certainly doesn't apply on Long Island in the State of New York.

George C. Johnston, Jr.
Jackson Heights, New York

The item that our correspondent refers to involved a non-exclusive at \$20,000. The broker introduced a prospect. The prospect later called on the seller who quoted the price of \$19,000. He was not thinking of the \$1,000 commission. The prospect would not increase his offer of \$19,000, and the seller would not reduce his price to \$19,000, and pay a commission on it. There was no deal. I said that, in my opinion, the broker was not entitled to a commission because he had not found a buyer at the list price. This does not mean that a non-exclusive is not protection to a broker, but merely that unless he finds a buyer at the list price, he is not entitled to a commission. I hope I make the point clear.

Dear Mr. Anderson:

At the present time I have over 200 farms for sale. There have been years that my exclusive listings included over 600 farms.

I am enclosing one of my list-

ing forms for your inspection and would appreciate receiving your personal opinion on it.

There are three or four points covered in my contract that are not in accord with the ideas of the Wisconsin Real Estate Board. In my opinion, the board leans more toward the protection of the seller than the broker.

The four points are: 1) the 30 day notice at the end of the contract, 2) the verbal notice to seller, of prospects, in addition to a written notice, 3) the protection clause in case of death of seller, and 4) full cooperation of seller during the entire time of the listing.

I would like an iron-bound contract, one that will afford me complete protection during the time my salesmen and I are spending time and money to effect the sale of a property. After being in the real estate business for 26 years, it seems to me the broker has had the least protection by law of any other type of business.

Will you kindly give me your ideas on a more binding contract?

John R. Leatherman
Baraboo, Wisconsin

I have received over 100 listing forms from all over the country, asking my opinion on them, and this goes to show how interested brokers are in the forms they use. If the forms could be published in the JOURNAL, I would be glad to comment on them, but you can readily see that this would take up entirely too much space. I can't comment on them for the benefit of individual brokers for the reason that while I would be willing to give up wine, women and song if it would benefit all of you, I'm not willing to do so to benefit only a few.

The exclusive that our correspondent sent me has several useless things in it. If you want to get my ideas of a good exclusive, drop a line to the University Printing Company, 1410 E. 62nd Street, Chicago, Illinois, and ask them to send you a specimen of one that I drafted for the benefit of brokers in Chicago. Compare it with the one you use and make up your own mind.

Dear Mr. Anderson:

I read with great interest your recent article concerning the mortgagee who refused to accept payment of a \$5,000 mortgage when

it had less than a year to run. You stated that his refusal discharged the lien of the mortgage.

Our problem is: we have three lending institutions in this area that made a great number of loans in subdivisions from 5 to 12 years ago. The balances on these loans today are from \$2,000 to \$9,000 while the fair selling prices of the properties range from \$20,000 to \$30,000. When an owner of one of these properties puts it up for sale he is shocked to find that it cannot be paid off, and since the property cannot be refinanced, it is practically impossible to sell.

The local opinion seems to be that since they contracted for the loan it is legal transaction. However, it is common knowledge that these people did not understand the lack of a prepayment privilege nor the implications when it came time to sell.

The hardship that some of the folks are put to because of their inability to sell or refinance their homes certainly suggests an inequity somewhere along the line. I would be indebted to you for any cases you may refer me to, in Virginia, that would help.

Can you suggest any way to solve this problem?

William L. Warfield
Arlington, Virginia

This correspondent refers to an item that I wrote to the effect that if a mortgagor tenders the amount of the mortgage, which is not yet due, including interest to the date of maturity, and the tender is refused the mortgage ceases to be a lien on the property.

I got this principle out of the Restatement of the Law of Real Estate Sales Contracts. This Restatement was written by a committee of the most distinguished real estate lawyers of this country, under the auspices of the American Bar Association. The Restatement was printed but never put on the market so not many lawyers know about it. Any law book store will get it for you for \$1. The item provoked a great deal of discussion and many lawyers refused to accept it. The Restatement does not cite any cases but all cases were carefully considered by the committee. I don't know why the booklet was never put on the market because it is one of the most valuable pieces of literature that I have ever read.

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Minority Housing - Time for Action

HOUSING for minority groups has received much lip service the past few months from all segments of the housing industry. Now is the time to turn that lip service into action. Realtors and builders can be proud of their impressive house building record, set since the end of World War II. But one blemish stands out: We have sadly neglected housing for America's non-white population.

This is more than a matter of flag-waving or charity. In many areas the market for decent housing among minority groups is good. You can build homes for minority groups at a profit. Indeed, it could be one of your most profitable ventures. And if private enterprise does not supply this housing, the public housers will.

You must consider many factors before launching such a project. First of all, there must be a need for this housing in your community. It will take a great deal of research on your part to determine the extent of this need. This is market analysis — the same type you would go through in launching any project. Your local city agencies will have information on incomes and needs of minority groups. Local industries know how many non-whites they employ and the size of their incomes. Your local public housing administration office or FHA field office will have helpful figures.

After determining the size of the market and the price range of homes you believe would best serve it, you can build a pilot house in a typical neighborhood of non-white population. The response to this house will act as a check on what you've already learned about the market.

One of your problems will be financing. However, it's not as acute as it was a few months ago. Thanks to the cooperation of FHA and to industry leaders who have successfully launched minority projects, the men who control the purse strings on mortgage funds have eased their hold somewhat. But it will take more effort to find buyers for the mortgages than for conventional projects. With perseverance and by exercising selectivity in your portfolio you can get the job done.

Realtors and builders who've had success in housing minorities point out several factors which can help your project succeed. Minority groups tend to stick together. Therefore, success is more likely if your project isn't in a new area. Non-whites want exactly the same amenities in their homes as do whites for homes in the same price range. You should subdivide your land in the same manner as you would for a white population. Appeals are the same as for white families. Non-whites want public transportation, access to schools and shopping facilities.

In deciding to provide housing for minority groups you need not have the attitude of the crusader. You must, of course, have a genuine interest in the welfare of your non-white population. You can go into this venture for profit. Much satisfaction will be derived from improving the living conditions of the non-white population in your community.

And there are other strong advantages. Competition in this field does not have the experience, financing, or skill shown in conventional markets. Since the market is untapped your first projects can skim the best-qualified buyers off the top. And generally these are the people who take pride in their homes and will insure your project's success.

In the next session of Congress, the perpetual debate on public housing will come up again. The JOURNAL, along with vast segments of the real estate and building industry, is unalterably opposed to socialized housing. But at the same time it recognizes that the public housers will get their way unless private enterprise — on its own initiative — meets this shameful shortage of decent housing for our increasing non-white population . . . and meets it fast. Every member of the housing industry should accept this as his personal responsibility.

Roger Lakey

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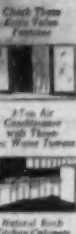
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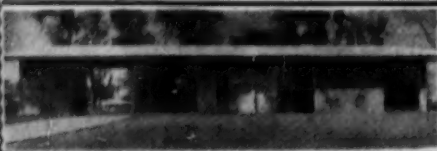
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213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000, 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1009, 1010, 1011, 1012, 1013, 1014, 1015, 1016, 1017, 1018, 1019, 1020, 1021, 1022, 1023, 1024, 1025, 1026, 1027, 1028, 1029, 1030, 1031, 1032, 1033, 1034, 1035, 1036, 1037, 1038, 1039, 1040, 1041, 1042, 1043, 1044, 1045, 1046, 1047, 1048, 1049, 1050, 1051, 1052, 1053, 1054, 1055, 1056, 1057, 1058, 1059, 1060, 1061, 1062, 1063, 1064, 1065, 1066, 1067, 1068, 1069, 1070, 1071, 1072, 1073, 1074, 1075, 1076, 1077, 1078, 1079, 1080, 1081, 1082, 1083, 1084, 1085, 1086, 1087, 1088, 1089, 1090, 1091, 1092, 1093, 1094, 1095, 1096, 1097, 1098, 1099, 1100, 1101, 1102, 1103, 1104, 1105, 1106, 1107, 1108, 1109, 1110, 1111, 1112, 1113, 1114, 1115, 1116, 1117, 1118, 1119, 1120, 1121, 1122, 1123, 1124, 1125, 1126, 1127, 1128, 1129, 1130, 1131, 1132, 1133, 1134, 1135, 1136, 1137, 1138, 1139, 1140, 1141, 1142, 1143, 1144, 1145, 1146, 1147, 1148, 1149, 1150, 1151, 1152, 1153, 1154, 1155, 1156, 1157, 1158, 1159, 1160, 1161, 1162, 1163, 1164, 1165, 1166, 1167, 1168, 1169, 1170, 1171, 1172, 1173, 1174, 1175, 1176, 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Realtors in Competitive '55

terior siding, doors and windows. One respondent, I. H. Hammerman of Baltimore, who sold 2,000 homes for client-builders this year says, "We are always asked about products or equipment that will make homes more saleable. Sometimes builders debate — Should they have a dishwasher? Is ceramic tile really necessary? Is hot water heat preferred over hot air heat?"

Another survey respondent, H. T. Perkins of Rochester, New York, says, "This is a must with us. We feature special kitchens, kitchen equipment, heating plants, baths with special features, etc."

This kind of teamwork is paying off for both real estate organizations and builders. Each is making the other's job easier and both are offering the home-buying public more nearly what it wants. Bob Gerholz says he wouldn't think of planning his new model without sitting down with his real estate men to get their advice on what features, products and equipment should go into his new houses.

Gerholz realizes that no one is

Builders, expecting keen competition this year, are seeking Realtors' help in merchandising their new homes. And it goes further than sales — builders are calling Realtors in on the planning stages, asking what products, equipment and features will help sell their houses. This JOURNAL survey points up the trend.

in a better position than the real estate executive to know what home seekers are looking for, which way their community is growing, how to acquire land without forcing a price rise, how to finance, how to qualify prospects and, most essential, how to merchandise homes.

If you are not yet selling homes for client-builders, this may pave the way for added commissions. You can promote these special services which you alone are in a position to offer. Unless a builder is also a Realtor, chances are his company is not equipped to compete with sales professionals.

This Realtor-builder combination is mutually beneficial. Builders can help your real estate organization, not only by giving you a bulk of good listings and an opportunity to help in planning new models, but also a chance to see that quality homes are built in your community — right down to every product that's included.

The homes built today are your listings for tomorrow. Your company will probably sell and resell these homes many times. If they are built and equipped with known-brand, high-quality products, your future job will be that much easier.

In a recent JOURNAL survey, readers were asked how many homes they sold for client-builders in 1954 and, "If you sold homes for client-builders, were you asked what products or equipment would make these homes more saleable?" Here are some typical answers:

"Yes — windows, jalousies, type of plumbing, paint colors."

Cusp Realty Company
St. Petersburg, Florida
(40 homes in 1954)

"Yes — Now the demand here is for two baths in almost all three-bedroom homes, central heating and air conditioning . . ."

El Dorado Real Estate Co.
El Dorado, Arkansas
(39 homes in 1954)

"Yes — kitchens, metal vs oak, dishwasher and disposal or not, many extras."

R. R. Conklin
Minneapolis, Minnesota
(150 homes in 1954)

"Sometimes we do everything from pick-

ing out the land and designing the house, to arranging the financing as well as the sales."

I. H. Hammerman
Baltimore, Maryland
(2,000 homes in 1954)

"Yes — Kind of furnace, plaster vs drywall, fixtures, colored or plain bath fixtures, kind of siding, etc."

R. L. Vickers
Kansas City, Kansas
(25 homes in 1954)

"Yes. Heating and air conditioning, appliances, roofing, new ideas and innovations, weather stripping and screens, floor plans, patios, pools and equipment, landscaping, etc."

L. B. Williams
Los Angeles, California
(67 homes in 1954)

"Yes — bookcases, tile, beamed ceiling, window styles, floor plans."

W. J. Talbot
Tucson, Arizona
(100 homes in 1954)

Survey shows buyers of higher priced homes are younger, have owned their homes previously, demand convenience and good location. Here's a guide for judging buyer needs in this price bracket.

WHAT kind of people buy homes priced above \$35,000? What features do they look for and how do they go about their house hunting? Previews, Inc., a national organization, has made a study of these problems.

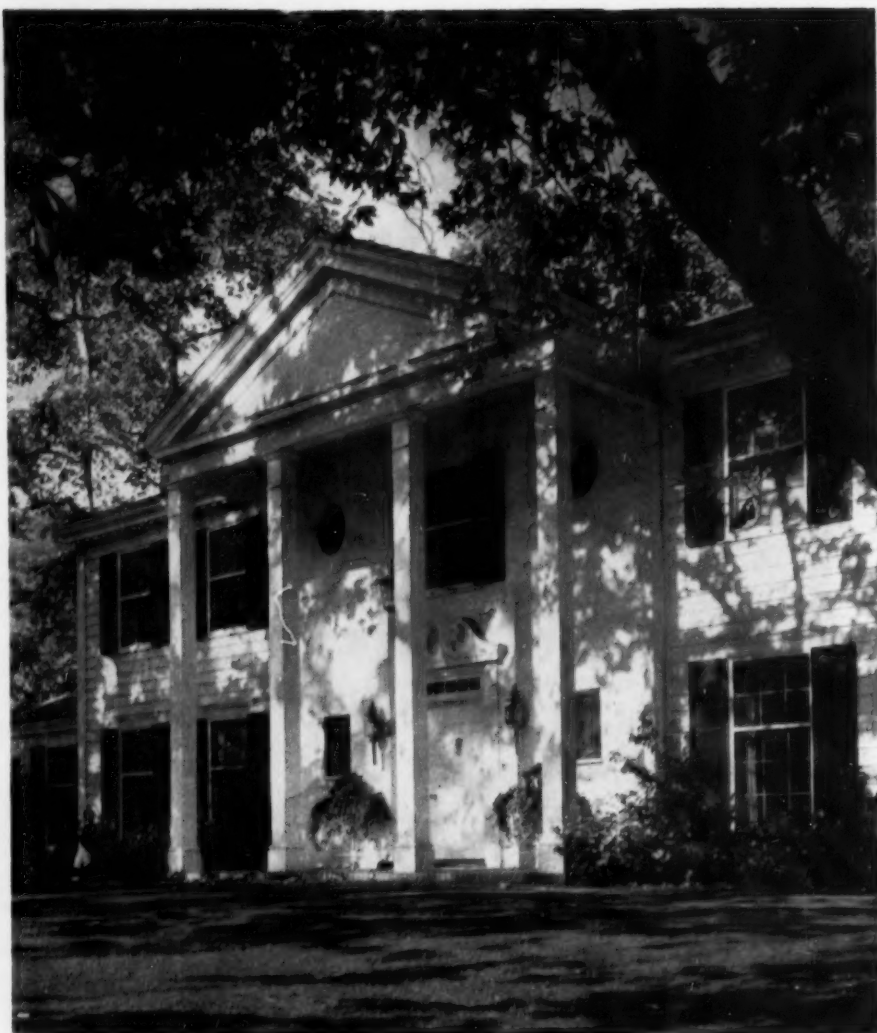
John C. Tysen, Previews' president, says the survey has uncovered facts which may be helpful both to real estate executives and owners who have higher priced homes to sell.

"For example," says Tysen, "the most logical prospect for a home in the upper price bracket is a man who already owns a house. The survey showed that 86% of the people who bought Previews-marketed homes in the past two years already owned a home. Only 14% were buying for the first time. In fact, the majority had owned at least two homes before buying a Previews offering."

"The survey also disclosed that higher priced homes are being sold to people who are trading up," Tysen continues. "76% of the people who answered our questionnaire reported that the home they had just acquired cost more than any house they had previously owned."

Buyers are younger than might be thought. Nearly 64% were under 50 years of age, and 33% were under 40.

The desire for better location was most frequently given as the reason for looking for a new home. But in spite of this, buyers reported that their final choice was dictated by the character of the property itself, rather than its actual location. In 50% of the survey replies the arrangement of the house was the feature that appealed most to buyers. Replies from the other 50% varied widely, but convenience of house, grounds and location was the determining factor in most cases.



What Buyers Look For In High-Priced Homes

The Previews survey indicates that the majority of buyers of better homes turn to real estate brokers for help in finding the house they want. Sixty-six percent of buyers surveyed consulted a real estate salesman or executive when they made up their minds to buy.

Thirty-eight percent looked first at the classified columns of their newspapers and 36% started their house hunting by asking friends in the areas where they wanted to live. Many reported that they depended on two or all three of these methods to help in their search.

Sales Brisk in Over- \$20,000 Bracket



There's a national trend in the new home market to brisker sales in the \$20,000-and-up bracket, but it doesn't hold up in all sections of the country. In some areas more selective buyers want to design their own homes in this higher price range.

How do \$20,000-and-up sales compare with a year ago? — Home Builders' Association secretaries report:

Long Island

O. J. Hartwig — 10% to 15% up

Washington, D. C.

James W. Pearson — 40% up

Minneapolis

Lawrence Nelson — 10% up

St. Louis

Laurence Neville — definite increase

Madison Wisconsin

L. E. Gerretson — 10% to 30% up

Wichita

R. G. Langenwaller — about 1% down

Chicago

John R. Downs — market still healthy

Denver

Eugene R. Miller — a definite up-trend

Houston

Pat Harness — market brisk and growing

Sacramento

Louis Landau — a lagging trend

Washington, D. C., says, "There has been quite a bit of activity in the \$20,000 and up house market in the metropolitan area of Washington. I would say that sales of houses in this price range have increased about 40% over 1953 and about 25% over 1952. We have no way of telling how long this trend will last, but we do know that there are several builders in our association who are planning to bring out houses in the \$23,000 price field next spring."

In the Midwest the trend is quite strong. Lawrence Nelson of the Minneapolis Home Builders Association reports that no accurate statistics are available, but he would say the trend toward higher priced homes is approximately 10% higher than last year.

Executive Secretary Laurence Neville of the Home Builders Association of Greater St. Louis says there is a definite increase in new home sales from \$20,000 to \$27,500 to \$40,000 homes. He says the general outlook is for more production and more sales in all classes by about 12% to 18% in the first six months of 1955.

From Madison, Wisconsin, L. E. Gerretson, executive vice president of the Madison Builders Association says there is much more activity in homes over \$20,000 this year. He thinks there are about 10% more builders constructing homes in the higher brackets and believes sales are about 30% above two years ago.

Only dissonant note from this region — Wichita Association of Home Builders Executive Officer, R. G. Langenwaller, has a survey which shows a slight decline in \$20,000-and-up houses in the Wichita area. This price range was responsible for 13% of new

home construction in the first six months of 1954 in the Wichita area, and is estimated to account for 12% in the last six months. Langenwaller adds, "One thing of interest is that for our National Home Week this year we built a research village—15 houses ranging from \$20,000 to \$35,000. The rather conventional houses sold rapidly. We have some six of the highly contemporary ones in the \$25,000 to \$35,000 range that aren't yet sold. I rather think that houses above \$25,000 are no longer the good speculative house they were. Most of the houses that I know of in this price range now are being designed by architect for client and built on contract."

"The Chicago market for homes is definitely unique," says John R. Downs, executive vice president of Chicago Metropolitan Home Builders Association. Downs explains that this uniqueness is due to the diversification of Chicago's industry, so that there is a good market for all prices of homes. Sales in all brackets are up about 20% over last year, Downs says, and there is a very brisk business in the \$20,000-and-up range. "I wouldn't say there was any trend here," says Downs, "but a healthy firmness on sales."

Further west, the Denver Association of Home Builders executive vice president, Eugene R. Miller says, "The activity in this area seems to be pointing to higher price brackets in new homes due chiefly to the demand for three and four bedroom homes, whereas two years or more ago the market carried some four-bedroom structures in the very low price bracket."

In the Southwest the trend appears to blossom again. Houston Home Builders Association executive vice president, Pat Harness, estimates a minimum 10% and probably a maximum 15% of Houston's 16,000 starts will be in the \$20,000 and up price range. Harness feels that Houston is a somewhat special situation, how-

(Please turn to page 37)

THE trend to increasing sales in higher-priced homes is particularly prevalent on the East Coast. O. J. Hartwig, executive vice-president of the Long Island Home Builders Institute, Inc., says he would estimate an increase of 10% to 15% in sales of homes priced over \$20,000. Hartwig gives an example of one builder who four weeks ago set up a 75-house development on half-acre plots for rambling, farm-house-type homes priced at \$23,900. Two weeks after his official opening he had deposits for 275 homes. Now he's in the process of accumulating additional land to satisfy at least part of this demand.

James W. Pearson, executive vice-president of the Home Builders Association of Metropolitan



Fifth Avenue frontage of the new Brevoort will be landscaped with flower boxes, shrubs and other planting. The facade will be limestone, polished granite and buff-colored face brick.

SCHEDULED for completion next Spring, the 19-story new Brevoort at Washington Square in New York will have 301 apartment units, ranging from two-room to three-bedroom apartments.

Special tenant attractors include four high-speed, automatic elevators, a two-level basement garage for more than 100 cars and a master TV antenna system. Every apartment will have air-conditioning outlets in living room and bedrooms and nearly every unit will have its own automatic dishwashing machine. Most apartments will have full-size kitchens and dining spaces.

Service facilities will include a telephone mes-

Two New Apartments Packed

Both the new Brevoort in New York and 1000 Lake Shore Drive in Chicago are designed to attract the high-income tenant. They offer features and services sure to make the apartment-seeker's eyes light up. Everything's aimed at providing comfort and living ease for the renter.

sage center, package room, special maid and valet service on request, basement storage and automatic laundry facilities.

The H-shaped design with its many facade indentations and setbacks will give maximum through ventilation. All apartments from the second through the 14th floors along the Fifth Avenue frontage will have open, corner balconies with views of Washington Square Park and midtown skyline to the north. Floors of the balconies and terraces will be tiled. Balcony railings will be wrought iron set with clear glass.

At the entrance will be a semi-circular driveway under a cantilevered marquee. The rear area will have a formally landscaped garden accessible through the lobby.

The new Brevoort was designed by architects Boak & Raad.

Should You Accept Open Listings?

JOURNAL readers who use open listings say they are a necessity. Those who disapprove say they can give *real* service only on exclusive listings.

IN a recent JOURNAL survey, realtors are about evenly divided on this question. Necessity is one reason for accepting them says H. L. Hodell, Jr., of Houston, Texas. He says his company is forced to accept open listings by competition from the new housing field and the more exclusive high priced areas.

Thomas J. Downen of Pueblo, Colorado accepts open listings, but for a different reason. He accepts them mostly to get rid of unreasonable owners. Says Downen, "In a few cases we make a sale, or later get an exclusive."

Realtors who don't accept open listings feel that

they can give better service on an exclusive basis. They feel they must have the confidence of the owners in their ability to sell homes. Says Mr. I. H. Lamb of Pittsfield, Massachusetts, "Results are what counts. We feel we must spend our time getting results for the owners who have faith in our ability and integrity."

Another interesting comparison brought out by a nation wide JOURNAL survey is the percentage of listings which Realtors find they are able to sell. According to our survey, this percentage ranges from about 33% to 85%. The average percentage of listings which Realtors sell is about 56%. An interesting fact in this particular question is that the higher percentages were reported by Realtors who say they accept only exclusive listings.

How are Realtors meeting the "Price is too high" objection? Downen says he sits down with the buyer and they figure the cost of building on a square footage basis, subtract depreciation, and usually ar-

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With Tenant-Appeal

IN THE heart of Chicago's "Gold Coast", at 1000 Lake Shore Drive, an elegant new 23-story apartment building is attracting tenants with a variety of work-saving products and convenient services.

The building itself is located conveniently within easy walking distance of the downtown loop, and planned for maximum quiet and privacy. Apartments have views of the city, the drive or the lake.

Among the features which are pulling in the tenants are panoramic picture windows, 50 decorative concrete balconies with wrought iron and porcelain enameled rails and clerestory windows for cool west and east exposures.

All the apartments have kitchens equipped with Roper Gas Ranges and Crosley Shelvador Refrigerators with automatic defrosters. Kitchen cabinets are wood; floors are vinyl plastic for easy upkeep. A complete ventilation system keeps out cooking odors and by special arrangement, tenants can purchase Hotpoint's dishwasher and disposall.

Every bedroom in the apartment building has its own bathroom. Bathroom walls are ceramic tile. Instantaneous electric heaters, large medicine cabinets and mirrors throughout add a final touch of luxury appeal.

Instead of one long corridor, there are two foyers, each serving only 4 to 5 apartments and each serviced by its own bank of Westinghouse high-speed elevators.

Every room has a telephone jack with direct two-way communication from each apartment to the garage, doorman and service portions of the build-



In 1000 Lake Shore Drive, huge picture windows frame a view of Lake Michigan. Yet, nearness to downtown Chicago is a big renting feature. Notice the fifty decorative concrete balconies.

ing. The garage is easily reached from the main lobby. It has space for 135 cars plus washing and service area.

Radiant heating is used throughout the building. Individual thermostat controls operate in each apartment unit.

Apartment color schemes are planned to suit the tenant — he chooses the colors he wants, then all painting is hand-roller stippled by expert painters.

Other tenant-attracting features — soundproofing, floor to ceiling sliding-door closets, television and radio jacks in every room of the apartment, electric provisions for air conditioning, certified wiring, laundry facilities and individual storage rooms.

rive at about the figure which the house in question is selling for. If the buyer still doesn't agree, Downen offers to show him a cheaper home. Another approach Downen uses is to tell the prospect that he is buying a home, not making a business deal. Downen asks him why he bought a Buick instead of a Ford.

Robert A. Ward of Peru, Illinois says the two ways his company meets the "Price is too high" objection is not to accept listings that are out of line in the first place, and to cite current sales of properties in a neighborhood equal to the one where you are showing the home.

As a final measure, some Realtors say they will ask prospects for a reasonable offer which they will then take to the owner. However, most of those questioned feel this is not a good practice. It is best, they feel, to accept only listings which are priced right in the first place. This leads to another big question for Realtors — "How do you evaluate a property when you are listing it?"

C. H. Eccleston of Albany, California always sales prices every house his company lists. Says Eccleston, "We take four, six or eight of our sales force to the

house. Each salesman is given a slip on which they write the price they feel the house will sell. An average is then taken and seldom are we off more than 2%. Then the salesman who contacted the owner works with him to get the offering price as close to our average as possible. We seldom take a listing more than \$500 above our average."

Hodell figures the replacement cost today less depreciation with the pluses and minuses for appearance, condition, area, then compares this with recent sales and other listings. This comparative sales method is used by nearly all of the Realtors questioned. They all agree that this is an important step, for if the house is valued properly, the rest of the sales job is that much easier.

Do Realtors believe in paying salesmen for getting listings? If so, how much? Most Realtors seem to agree they should be paid for bringing in listings and the amount averages about 10% of the commission when the property is sold.

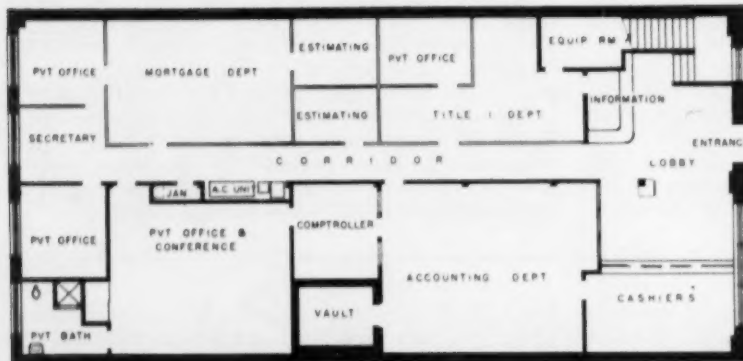
Robert Beadle of Portland, Oregon doesn't use a percentage system or payment when the property is sold. He simply gives a salesman \$5 a listing. He believes this gives them a greater interest.

Planning a Two-Story Office

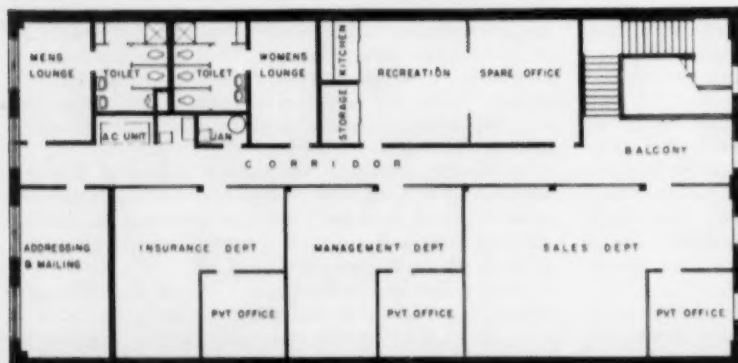


General manager's office is the "show-place" of the building. Paneled and furnished luxuriously, it is also used for inter-company meetings and private conferences with important customers. Private wash room with a shower adjoins this office.

If you're getting too big for your present office and have expansion plans, here's a well-planned two-story layout. The various departments of this large real estate operation are arranged for maximum efficiency. After a year with this set-up they report their planning pains are well rewarded — added efficiency has saved them more than their total yearly space expenses.



Floor plans show arrangement of office space for maximum efficiency and privacy where necessary. Interior partitions are of Sheetrock. Some partitions are 60 inches high, others go to the ceiling. Lower partitions have 12 inches of glass at the top.



FACED with the problem of too little floor space for an increasing volume of business, Real Estate Management, Inc. of Chattanooga, Tennessee, and its affiliated companies, rented a large two-story building with the landlord's promise to remodel. The interior design was planned by the company for attractiveness as well as spaciousness and efficiency. Here are some of the interesting features:

The entrance lobby has an information desk, cashiers' counter and general waiting room facilities — leather upholstered couches and comfortable chairs. The switchboard operator announces visitors and directs them to the people they wish to see!

Errors in collection are reduced by having the cashiers' counter directly connected to the accounting department. When any doubt arises it's a simple matter for a cashier to check the records.

Between the accounting department and the executive office of the general manager is the comptroller's office. This puts the records and the man responsible for them at the general manager's fingertips. This can often save valuable time.

The appraiser is located back of the manager's office and across the hall from the manager of the mortgage loan department from which come many requests for appraisals.

First Trust Company, maker of loans, has the north half of the downstairs area. The mortgage loan department uses about two-thirds of this space. The manager has a private office and there are two small rooms for the use of con-



Connecting cashiers' counter directly with accounting department increases efficiency. Accounting department machines are readily available to cashiers in case they need to check records. Also, books and ledgers used in accounting are closer to vault.



Information desk in spacious lobby is effectively manned by switchboard girl. Each employee has a desk telephone and can contact any other desk in the building going through the switchboard. This gives the operator time to serve as receptionist.

tractors, prospective mortgagors and others. One of these rooms opens on the hall and can be used by dealers and applicants of the Title I department across the hall.

On the second floor are the real estate sales, management and insurance departments. They were placed on the second floor because a good part of their business and contacts are formed on the outside. With the sales department and

management sections next door, they constantly feed each other business and leads.

Because they have very few walk-in customers, Scott N. Brown Company, the insurance firm, has the rear office space on the second floor. The balance of the second floor is occupied by a room containing an addressing machine, mailing machine, supplies, inactive files, lounges and a large as-

sembly room.

This assembly room has a connecting kitchenette with a range, refrigerator and coffee urn. Coffee breaks can be taken right in the building, cutting down on people leaving the offices.

For eye-ease and attractiveness a soft green color was chosen for walls with trim in a darker grey green. Flooring is asbestos tile, easy to maintain and attractive.

Kids Can Cut Your Maintenance Costs

This California apartment manager cuts maintenance costs by appealing to the youngsters to cooperate. They responded so well he topped off the campaign by a big free party for the children.

BEING nice to children pays off. At least James T. Leigh, manager of the Hillsdale Gardens community apartments in San Mateo, California thinks so.

In the past year, Leigh estimates, children have saved him \$10,000 in maintenance costs over the previous year.

As an experiment, Leigh started an educational campaign with the children. Broken windows, torn shrubbery and scarred paint bills were running high.

Leigh conducted a planned educational program on how much it costs to repair damage. The program was handled through the recreation director of Hillsdale

Gardens. Articles were placed in the house magazine. The program also worked through the clubs the children had formed.

The program soon began to show results, and as maintenance costs continued to drop throughout the year Leigh planned a party. It was a "thank you" party for the more than 550 youngsters, and was for the "Best Behaved Children of the Year."

The party was a full-sized carnival, complete with clowns, merry-go-round, and a baby beauty contest. Everything was free for the kids. The parents formed committees and helped the recreation director with the party.



"Appreciation party" for the kids showed apartment manager Leigh knew how to reward them for their cooperation. Party was a regular carnival, with all the trimmings. Parents pitched in to help plan and organize the party. Leigh is shown being congratulated by the mayor.

New Sales Training Series — Turnover of salesmen is becoming an acute problem in many real estate offices. And in most cases it can be reduced by better training. To help your sales manager deal with this problem, the JOURNAL is bringing you a brand new series on sales training. In the coming 12 issues, watch for valuable advice from such men as Fred Tucker, Russ Pointer, Frank MacBride, Earl Teckemeyer, Darrel Holt. Later, the series will be reprinted in handbook form for the benefit of the entire industry.

What Makes a Good Real Estate Salesman?

By FRANK A. DEBOOS

When you're hiring new salesmen, what special traits should you look for? Can you tell if a man will make a good salesman after one interview? How much does a good realty salesman need to know about construction? An experienced salesmanager answers.

SEVERAL years ago I was asked to give a talk on the qualities that make a good real estate salesman. Although I had charge of six different sales organizations, three in the mechanical sales field and three in real estate, I contacted ten other men who had successfully handled real estate sales organizations of some size and got their views as well. This article is the combined opinion of these men and myself on the qualities you should look for in a new salesman.

A salesman should be neat in appearance and dress, pleasant in personality and able to express himself intelligently and with conviction. He should be fundamentally honest, upright, of good habits and have the desire and ability to

meet people easily. He should be loyal to the firm he works for and be able to cooperate willingly with his associates. A complainer or disloyal salesman can create plenty of trouble.

A good real estate salesman should inform himself thoroughly on the various phases of real estate and believe wholeheartedly in it. This tends to make him enthusiastic about the business he's in. And enthusiasm is one of the finest qualities a salesman can possess. Of course, a salesman should be an optimist, never a pessimist. Pessimism has no place in the sales field.

All these qualities are highly desirable and several of them can be ascertained in one interview with a prospective salesman. But

there are several other important traits not so easily determined and, to a certain extent, these are the most desirable. For example, a salesman should have a very strong desire, even a driving necessity, to succeed. Coupled with this desire should be a willingness to spend the time and effort to succeed. As one man expressed it: "I want a man who will work!" This means a man who will keep constantly on the go, getting listings, interviewing prospects and studying all the details of his business.

Persistency is another important quality not immediately apparent in the new salesman. One salesmanager expressed it this way. "Persistency to the point of impertinence."

Initiative is also one of the most desirable qualities. New ideas, new approaches, new ways to submit offerings, new ways to write ads, all require initiative. Proper initiative is founded on a good knowledge of real estate and an understanding of the buying and selling motives of people.

A real desire to serve is a tremendous advantage to the real estate salesman. It is fundamental in real estate as well as most any other service business. Prospects can feel this desire to serve them honestly and faithfully and when they do, their confidence blossoms.

The real estate sales field requires a lot of knowledge. That's why salesmanagers want workers. The "door-knocker" approach to getting listings and prospects takes study and considerable knowledge of many things about real estate. The good salesman must have a knowledge of recent sales and offerings of comparable properties. He must be familiar with architecture so he will know the difference between a "Dutch Colonial" and a "Georgian" style house, what a good floor plan or layout is and how a poor one can be improved.

He should be acquainted with construction costs in the different types of houses and, of course, should know enough about construction to recognize a well-built house or a poorly built one. This applies to other types of improved properties as well as houses. He should know about various types of heating plants, their costs, advantages and disadvantages. And the same goes for plumbing equipment.

A good salesman must know about painting and reconditioning costs and the approximate cost of installing modern bath rooms and kitchen equipment. He should know the costs of roofing, siding, insul-brick or other exterior insulated protection. All these are necessary at times for a sale.

Most such information can be obtained from contractors and material men who have basic prices based on a hundred foot square or a similar method. Many times, when a salesman is selling a home, he is really selling the component parts. Can a salesman become well informed about all these items? He

can if he is willing to study.

In the late thirties the Home Owners Loan Corporation required their appraisers to itemize all observable defects in the homes they appraised. They had to give a value to the property in the "as is" condition, then an estimate of what necessary repairs, improvements, reconditioning would cost, and, finally, an estimate of the resale value after such improvements. In the Detroit area the HOLC issued a small handbook covering approximate costs of items used for house repair.

From 1936 to 1942, as salesman-ager for a company which man-

aged a great number of houses for a big insurance company, it was part of my job to appraise a house whenever the insurance company got possession through foreclosure. A complete list of defects was required, as well as possible repairs, reconditioning, repainting, redecorating, or other items that would make the property more saleable. The estimated cost of all the above had to be given and also what increase in rental or sales price could be expected if the suggested work were done. How many salesmen today are well enough informed to do this? Yet, the good salesman should be.

Jobs for Post Cards

CONSISTENT POST CARD mailings at certain strategic times are paying off for Filipp Realty Company of Cincinnati. Post cards ask, "Is your property for sale?" After the listing is taken, cards say, "Yes! Your property is being advertised," and a copy of the classified ad is pasted on the card.

New babies are welcomed, neighbors are enlisted to help fill a vacancy in their neighborhood. House hunters who have called at the office and found nothing last week may be interested in this week's listings — they receive a card describing new listings and reminding them of the firm's home building.

Is Your Property for Sale?

List with us for professional advice you can depend on -- we are appraisal consultants and we will be glad to advise you on the **RIGHT** price to sell your real estate. That's the reason why all our listings sell quickly.

No obligations -- Call us for a Quick, Cash Sale

Do you understand how the new Federal Tax Law now helps you when you buy and sell a home?



FILIPP REALTY CO.

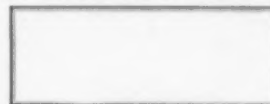
WM. C. FILIPP - REALTOR

845 Suire Avenue GR. 3241 Cincinnati 5, Ohio

HOMES • FARMS • INVESTMENTS • LOTS • BUSINESSES • APPRAISALS
PLEASE KEEP THIS CARD FOR "REALTOR" SERVICE

YES! Your Property Is Being Advertised

Here Is A Copy of Some Current Advertising



You can rest assured that consistent advertising and recommendation of your Real Estate is being made at all times to consummate a quick, satisfactory sale.



FILIPP REALTY CO.

REALTORS -- GR 3241

Who Will Be Your New Neighbor?

We are handling the Sale of the property located at:

HAVE YOU A FRIEND, RELATION OR BUSINESS ASSOCIATE YOU WOULD LIKE TO HAVE LIVE IN YOUR NEIGHBORHOOD? We shall be glad to give him full information about this home. Or, if you are thinking of selling -- we can show your home at the same time.

CALL NOW -- FOR "NO OBLIGATION" APPRAISAL!



FILIPP REALTY CO.

WM. C. FILIPP - REALTOR

845 Suire Avenue GR. 3241 Cincinnati 5, Ohio

HOMES • FARMS • INVESTMENTS • LOTS • BUSINESSES • BUILDERS • APPRAISALS
IF YOU DON'T WISH TO SELL NOW PLEASE SAVE THIS CARD

Dear House Hunter:

Your recent call was appreciated. We have a new listing as follows:

which we believe will interest you greatly. Phone us for more information. We will then gladly show it to you.

(REMEMBER- We Build Too! Just think, a lovely 5 Room Brick Home on your Eat for Only \$9,900)

FILIPP REALTY CO.

WM. C. FILIPP - REALTOR

845 SUIRE AVENUE GR. 3241 CINCINNATI 5, OHIO

HOMES • FARMS • INVESTMENTS • LOTS • BUSINESSES • BUILDERS • APPRAISALS
PLEASE KEEP THIS CARD FOR "REALTOR" SERVICE



Homes Our Readers Are Building

• IN WASHINGTON

Tacoma home builder meets the "built-in" craze.

IN SKYLINE TERRACE, a large development with sites for more than 1,200 homes, Edward P. Miller is building one-story, low-roofed, rambler-type homes that feature a myriad of luxury built-ins.

Homes in Skyline Terrace range in price from

\$9,990 to \$50,000. Each of the larger units has seven built-in radios and six built-in television outlets, including a kitchen TV set. Kitchens also have built-in electric ranges and griddles, two built-in automatic electric eye-level ovens, stainless steel sink and counters, automatic dishwashers and garbage disposals.

Near the back door is a built-in storage cabinet for coats, an adjustable retracting light in a nook, built-in napkin and tissue dispensers and a complete inter-communication system for inter-room conversation.

Living and dining area has indirect lighting and baseboard plug strip outlets. Three of the bathrooms are tiled and there is an extra wash basin, plus heated bathtub and built-in bathroom heaters. Bathrooms and kitchens are equipped with ventilator fans and every bathroom has a built-in magazine rack, bathroom scales, drying rack for hose and built-in spray rinse for shampooing hair.

Miller uses Thermopane windows with aluminum window frames. The main floor has mahogany cabinets and trim throughout with mahogany beams and open-type mahogany ceiling in the living-dining area. The den is paneled in mahogany.

The lower floor has knotty pine paneling in the recreation, laundry, sewing and tool rooms and in a boy's combined sleeping and play area. There is also a covered outdoor play area off the boy's room. Built-in utilities are on this lower floor and a master control panel for low voltage wiring.

Storage cabinets are built-in in the garage which adjoins the kitchen and the garage itself has a built-in workshop. By the kitchen door are built-in delivery boxes for milk, groceries and other packages.

Kitchens also have a barbecue with an electric spit, a kitchen planning desk, adjustable swing shelves for electric mixer and typewriter, fruit and vegetable bins, enameled metal food drawers and a wash basin near the back door and play area for children.



• IN TEXAS

Homes for young families feature nearness

to schools, shopping center,

medical clinics, transportation.



EDGEWOOD addition in Houston was planned and promoted for young couples who need certain conveniences for their growing families. For example, all homes are within 5 blocks of bus service. The elementary school has a large play park. A new junior high school is under construction nearby and a new high school is now in the planning stages. Such conveniences are strong selling points.

Other special sales features are based on buyer preferences. Floorplan variations offer buyers two and three bedroom homes with one, one-and-a-half, or two full baths and one- or two-car garages.

Buyers make their own selection of colors for interior finish and tile and also choose between numerous front elevations. There are about 40 different front elevations all of which are pictured in full-color photos on the walls of the sales office. This is a good selling aid and makes it possible for the developer to vary the houses in any block to avoid the all-alike look that often plagues large projects.

Lots vary in size from 60 to 70 feet wide and from 110 to 120 feet deep. Floor plans vary from 950 to 1,300 square feet. House exteriors are cedar shakes in various colors with stone or brick and ornamental iron trim. Roofs are of wood shingles, chipped marble, rock, crushed brick or composition shingles. All the houses have reinforced concrete slab foundations and are landscaped with grass, shrubs and trees.

Hardwood floors are provided throughout. Central forced air furnaces by Rheem and Atlas are installed. also attic fans by Tex-Fan. Aluminum venetian blinds are by ALCAN. Both bathroom walls and



floors and kitchen drainboards are ceramic tile. Homes are insulated with fibre glass batting.

Prices range from \$10,800 to \$15,000 and the homes are approved for VA or FHA loans.

Keep Outdoor Signs

Neat

BUS BENCH TYPE of outdoor advertising isn't a new idea. But it has to be well done to be effective. Gail Wanless, Springfield, Illinois realtor-builder, makes certain his outdoor signs are always neat and freshly painted.

A local advertising firm has set up many of these benches throughout Springfield, with numerous sponsors. Two men are employed full-time to maintain the benches — regularly painting and repairing them.



ABBOTT & ADAMS, INC.

TYPES OF ADJUSTMENTS
A-ALLOWANCE OR REDUCTION
B-BAD DEBT OR UNCOLLECTIBLE
C-CONCESSION
E-EXPENSES DEDUCTED FROM RENT
P-PREPAYMENT
V-VACANT

(FORM 3)3[illegible]

A Complete System of Management Forms

HERE'S A COMPLETE system of printed forms for managing income property. These forms are efficient, economical and satisfactory from the standpoint of both owners and managers. They provide your management organization and the owner with the following:

- 1) Tenant's status at all times.
- 2) Tenant's account running back for a period of two or three months (and occasionally for a longer period when litigation occurs)
- 3) Funds due to or from owner at all times.
- 4) Prompt rendering of tenant's bills.
- 5) Prompt rendering of owner's monthly statement.
- 6) Elimination of peak load overtime by the manager and spreading the work load over as much of the month as possible.

These forms are intended primarily for hand duplicator, addressor and typewriter use, but you can modify them easily for mechanical application to any type accounting machine in use today. They were developed by H. Robert Mandel, President of Abbott & Adams, Inc., New York City, with the assistance of Bernard Gladstone, C.P.A. The forms are being used by Abbott & Adams.

1) PROPERTY CONTROL — This form is used to record all new leases and subsequent rental changes, renewals, transfers or removals. Three copies are made. The original is put in the tenant's folder. One copy is sent to the accounting, management and insurance departments. The other copy is sent to the building superintendent. An addressograph plate is made by the Accounting department for mailing the tenant's monthly rent bills. The stencil clerk also prepares or changes the master stencil for the property involved. This will show up the tenant change the next time an owner's statement is run off from the master stencil.

2) THE TENANT'S REGISTER — A permanent record of each tenant is needed. This form will show the date of lease, term, rental, other changes if any and rental changes from time to time. As a basic permanent record the 1st Monthly Rental Report to the owner is used, with additions added as they occur. This eliminates duplication and unnecessary additional routine.

MONTHLY RENTAL REPORT — This same form is the Monthly Rental Report, prepared each month from master mimeograph stencils. These are run off after the 25th of the month to permit maximum time for corrections. Sufficient copies are made for the owner, bookkeeping department and file copy.

3) TENANT'S RENT BILL — The problem here was to provide simple, inexpensive and speedy mechanical preparation of the bill and return stub. Much thought, trial and error resulted in the design of this bill. The printed matter and perforations were arranged to permit use of an inexpensive fibre stencil plate suitable for addressing and billing. The stencil is planned so that all this is done in one imprint. A specially designed window envelope shows the name and address only, concealing the rental and the entire stub portion of the bill. The stub has sufficient abbreviated data to identify the tenant and premises. It also gives the rental. Rent bills are prepared after the 25th of the month to permit tenant changes up to then. A hand operated addressing machine will turn out about 1,000 bills in one hour.

4) AGENT'S COLLECTION SHEET — All collections are entered on these sheets regardless of whether the rents are paid to the superintendent, the manager, or mailed to the main office. It is made out in duplicate or triplicate. Transmittal between superintendents and agents, or between agents and cashiers calls for duplicate or triplicate reports with proper receipts. The cashier's copy is the posting source and is punched and put in a permanent binder. A deposit slip or adding machine tape is pasted or fastened to this copy.

5) MONTHLY COMBINED EXPENSE & SUMMARY RECONCILIATION FORM — Prepared for owner to show day to day expenditures. There are both hand and typewriter (shown here) forms. The hand form (not shown) is kept in a binder. Where practical and not objectionable to the owner, a carbon copy of the hand form is all that is needed to complete the data for the owner. The carbon copy, together with the Monthly Rental Report is the complete owner's monthly report. This machine form is similarly handled, except that forms are kept loose for ready insertion in accounting machine or typewriter.

5

FORM 4

REMARKS

 RECORDED BY
 CASH REC'D
 POSTED

REAL ESTATE officers of chain stores have a lot of new problems. It used to be he could inspect 10 or 12 downtown outlets in a few days. All would be close to his hotel, or within reasonable striking distance. He could rely on pedestrian traffic counts and occupancy maps.

Now the real estate officer has to drive all over the suburbs, trying to find a shopping center site where a store can attain enough volume and profit to satisfy the front office.

Chain store organizations are generally understanding toward

profits by using it.

The tough problem is how to recognize a good shopping center when you see one. There are four main approaches to the problem:

Some chains rely heavily on Census Bureau or Commerce Department figures.

Other chains employ research analysts to do the job for them.

Smaller organizations have been known to seek the protection of their big brothers and simply locate where they do.

A few still use the divining rod of real estate experience, half vision and half common sense.

to be obtained locally and from responsible sources.

Chains know their problems better than the broker and wouldn't presume to offer suggestions to the real estate officer who is an expert in his field. But real estate officers might bear in mind these things — signposts leading to good shopping centers:

1) Does the center have *one big draw tenant*? This should be the branch of a downtown department store, well established, accepted, and having abundant good will. It should be big enough to carry representative lines of merchandise and provide credit conveniences for its customers.

2) Assuming the center has adequate parking, is it also easily accessible to both motorists and walk-in customers?

3) Is the owner reliable in attitude and purposeful in approach? Or is he simply anxious to make a few deals. He has to be both interested and capable if the center is going to offer any guarantee of permanence and success.

4) Does the owner have an organization equal to this kind of enterprise? Does his organization include architect, builder and mortgagee as well as rental agent?

5) Real estate officers have to beware of the cheap buy. A center that isn't planned on a sound fiscal policy could fail in any emergency. Subsidies are dangerous to owner and tenant alike, and unnecessary in a well planned center. The owner of a good center would be a fool to give it away. A tenant becomes a fool's partner when he looks for a give-away.

If these principles seem elementary — they are. But they are so basically sound that they deserve repetition and re-study.

More shopping centers have failed to live up to their expectations through neglect of these principles than from failure to properly analyze the market.

The movement of people to their own homes in suburbs is not new, but the fact that they are buying soft lines of merchandise in suburban areas is new. This is the best assurance of the bright future of shopping center development, regardless of economic trends.

Shopping centers have brought about a new kind of partnership between owner and tenant, between local realtors and chain stores. The connecting link is the chain real estate officer.

does your shopping center meet chain store needs?

How often are you called upon to find a chain store location? Here's a discussion by a shopping center expert that will help you know what kind of shopping centers chain stores are looking for.

By ROBERT STURGEON

Albert M. Greenfield & Co.
Philadelphia, Pa.

the difficulty. They are as attracted as everybody else by the shopping center phenomenon. Experience has proved that there are opportunities to acquire high volume outlets in well developed and properly planned shopping centers, located in heavily populated suburbs of above-average income-families.

Competition is controlled because both owner and tenant work for their mutual self-interest. Speculation about the quality of the market is reduced because the location and population of the suburb determine what the market will be.

Here is an established, desirable market where minimum rentals are fair and percentage rentals are modest. Compare this picture with that of 1946-47, when the chain store tenant had to pay top dollar for downtown locations and made his own improvements.

Admitting a few mistakes, it is generally agreed that the shopping center is a good place to locate and that chains have increased their overall volume and

Any of these systems are fine if the store reaches a maximum volume. But the real estate officer is a dud if it fails — for any reason ranging from bad weather to the administration in Washington.

Real estate officers have to be able to guard against the pipe dreams of the owner who sees a miracle coming up from his corner lot and wants some chain store to prove he's right.

But he also has to be able to recognize a potential Northgate in a present-day corn field.

Real estate officers in this predicament have a friend in court they ought to make use of — the services of a large responsible real estate organization familiar with the past history and general long-range development plans of the whole metropolitan area. This source can give him specific information about the localized centers, including population studies that embrace income, social and ethnic factors, building trends and reliable advance information about civic planning.

This kind of information has

Apartment Management

With a Womanly Touch

This lady property manager believes the woman's viewpoint is so important in renting apartments that she employs only female apartment house managers. Not only that, she insists on sitting in on architect-contractor meetings to make sure new apartments are planned for housewives' needs.

LIKE OTHER AREAS of the housing industry, apartment rental and management is getting to be a more competitive business. To keep your properties rented you have to do more than put out a sign or run an ad. You have to keep your buildings right up to date, with a sharp eye on your market.

In modernizing old apartments or planning new ones, you have to be aware of the woman's viewpoint, for she usually makes the rental decision. This is the principle upon which Sarah Tobias has successfully operated for 30 years.

Miss Tobias is in full charge of the renting department of the J. H. Taylor Management Company in New York City. Her ideas and her success deserve the attention of the most condescending male property manager. Here are some of her principles:

She says women rent most apartments, regardless who signs the lease. Accepting this female influence, Miss Tobias goes straight to the heart of the problem and hires and trains only women as apartment building managers.

Prospective agents are taught to read construction plans, have to learn fundamentals of renting and a full real estate background. When trained, the agent is assigned a building and is on her own.

Miss Tobias keeps track of her personnel and their



220 Central Park South, 20-story luxury apartment building in Manhattan, which shows Sarah Tobias' feminine touch. Kitchens are complete General Electric units, designed with the lady occupant clearly in mind. It is operated by a lady apartment manager, trained by Miss Tobias, rental manager for her company.

responsibilities by having a direct telephone line from her desk through the main office switchboard to each of the buildings.

Early in her career, Miss Tobias saw an opportunity to give women a real voice in the planning of their homes. She persuaded the owners and architects that it would be a good idea for her to attend planning meetings in order to make certain that a woman's viewpoint was represented.

Thus, in the planning and construction of 12 buildings, including two brownstones that have been modernized into small apartments, she made it a point to sit in from the very beginning on conferences of architects, engineers and sub-contractors as they discussed the amount of land to be set aside for garden areas, layout, exposures, closet space and the many other details of apartment planning.

Operating on these two basic principles — that apartments are built to be rented, and that women have a major voice in the renting of them — Miss Tobias has emphasized better kitchen design, with cupboards of a useful height and space-saving as a prime feature. She has stressed that city apartment dwellers can live like civilized people and not cave dwellers by bringing in garden ideas, flower boxes, open air balconies and sunrooms.



AGREEMENTS NOT TO compete and the tax consequences as between the buyer and seller. Certain types of businesses have a greater potential value to the buyer if the seller is eliminated as a competitor by an agreement not to compete or engage in similar business in a restricted area for a specified number of years. In order to enumerate some of the accounting and tax factors to consider in such a transaction, two cases have been chosen to show the tax consequences, first to the buyer and then to the seller:

- A) *Gazette Telegraph Company v. Comm.*, 19TC692, CA-10.
- B) *Clarence Clark Hamlin Trust et al v. Comm.*, 19TC718, CA-10.

- 1—A group of experienced newspaper men interested in buying the newspaper mentioned under A, made it known in the beginning, in their correspondence with the seller, that they would seriously consider buying only if they had a covenant from the seller not to compete for a specified number of years.
- 2—It was the buyer's original intention to pay separately for the covenant and amortize it over its life. He made this known in all transactions and records.
- 3—The buyer purchased the outstanding stock of the old corporation and not its assets. The price paid was \$150 per share for the stock and \$50, based on each share, for the covenant not to compete. \$200 per share unit.
- 4—That the price paid for the covenant not to compete was

a separate and distinct business transaction from the stock purchase.

- 5—A new corporation was formed to take over the old corporation and the covenant not to compete was one of its assets. The cost of the covenant was regularly amortized over its ten year life according to the taxpayer's original intentions.

The taxpayer was sustained in his method of amortizing, for the tax purposes, the cost of the covenant, over its ten year life. (See case cited under A, above.)

The seller of the stock and the covenant did not anticipate the end results and reported the difference between the cost and the total selling price of the stock and covenant as capital gain. The commissioner said no, that the gain from the sale of the covenant was ordinary income and the commissioner was sustained in his decision by the Tax Court and Court of Appeals Tenth District. (See case cited in B, above.)

The facts may be studied by reading the full text of the two decisions mentioned above. Of special interest is the formal approach to the purchase and its conclusion by the buyer.

STOCK INTERESTS OF MANAGEMENT employees. Revenue Ruling 54-13 has interpreted Code Sec. 112 (g) (1) (E) and Code Sec. 112 (b) (3) to include a change in the proportionate interests of valuable management employees, to compensate them for their services, under a tax-free recapitalization. It is particularly effective for close-held corporations and does not present prob-

lems to which other plans are inherent. An example.

M Corporation's capital stock consists of \$100 par value preferred and \$100 par value common stock. A, the general manager of the corporation, owns 30% of each class of stock and B owns 70%. As an incentive to A, B agrees to increase A's common stock interest to 40%. The corporation issues preferred stock to B in exchange for enough of his common stock, at book value, to reduce his common stock holdings to 60%. The corporation then transfers from earned surplus to capital account an amount sufficient to reflect the increase in the par value of its total outstanding stock after the exchange.

The ruling, however, apparently does not cover the possible tax effects if there should be a disparity in value because of the exchange of stocks; nor does it indicate the possible tax treatment of any sale, transfer or redemption of the new preferred stock. Such items should be studied prior to executing such a reorganization.

SURRENDER OF SINGLE premium endowment policy for cash and participating life insurance policy. Revenue Ruling 54-264 states that taxable income is realized when a taxpayer surrenders a single premium endowment policy for paid up insurance and cash, based on the difference between:

- 1) The cash received plus the value of the policy received. The value of the policy is defined as the amount that any one of similar sex, age and condition of health as the taxpayer would have to pay for such a policy on the date of the transaction. It does not mean the cash surrender value of such a policy.
- 2) Premiums paid on the endowment policy less any dividends received or credited.

If the cost of such an exchange exceeds the amount received it is personal expense and not a deductible amount. Refer to IRC Sec. 22 (b) (2) (A). Now let us see what will happen to the above situation under the Internal Revenue Law of 1954. Sec. 72 (e) (3) would, as I interpret it, spread any profit realized over a three year period. The current year and two preceding years.

WHEN CAN MERCHANDISE (stock in trade) be considered a capital asset? The tax Court handed down a decision (Ferber, TC May 7, 1954) that may interest all who are handling estate matters. Taxpayers were the executors of an estate of a proprietor of a fur store. They operated and tried to sell the store as a unit for a period of two years. The profits were reported as ordinary income. After the store was sold, a quantity of merchandise (furs) remained which taxpayers sold at auction. The profits were reported as capital gains. The Tax Court affirmed the taxpayers' method of reporting the profits. The merchandise (furs) in this case ceased to be classified as stock in trade because of non-operations of the business and because it was, no doubt, part of the investment in the business. The length of time the furs were held before sale and after the store was sold might also be a determining factor in the minds of the Tax Court.

FROM WHAT DATE IS A corporation officially liable taxwise for its operations? The Tax Court (Smith, 12 TCM 607) says from the date of its incorporation. The case cited indicates that the proprietorship which was incorporated continued to do business as such two or three months after the corporation was legally formed to take over. Payroll reports and income for the first three months were reported by the proprietorship. The Tax Court said no, that the corporation started when its articles of incorporation were filed.

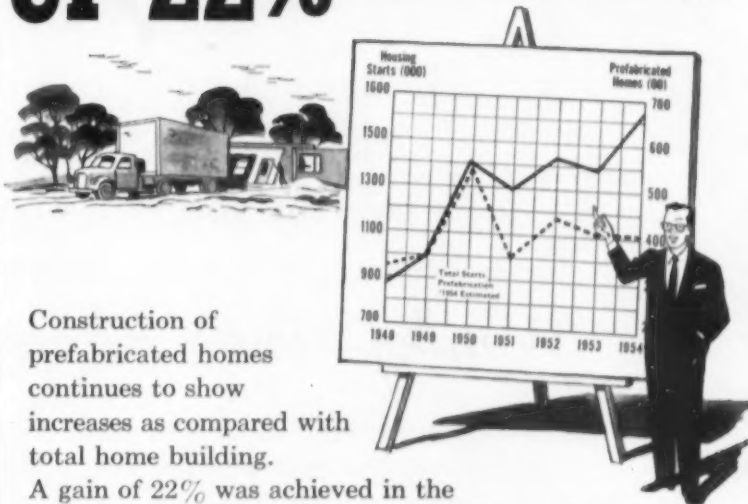
\$20,000 Sales Brisk

(Continued from page 23)

ever, since new industry is moving in rapidly and company executives invariably require higher-priced housing.

On the West Coast, Louis Landau, executive secretary of the Associated Home Builders of Sacramento, says the trend lags in his area. He says, "Due to the fact that buyers are more selective on higher-priced property, the sale of homes in the \$20,000 and up bracket has been off. However, where sound values are offered in this price home, there have been sales. There appear to be a number of homes in this price available for sale. Generally, business has been excellent in this area."

PREFABRICATED HOME BUILDING UP 22% over a year ago!

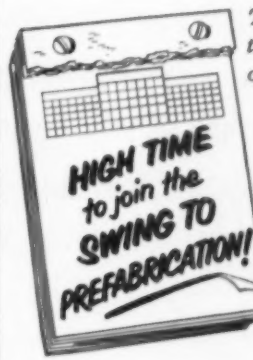


Construction of prefabricated homes continues to show increases as compared with total home building.

A gain of 22% was achieved in the first half of 1954 over the corresponding period of 1953. It will pay you to investigate the mortgage lending opportunities in this swing to prefabrication.

Builders of prefabricated homes know today's market. You will find their homes an attractive investment from every standpoint. They meet every VA and FHA requirement. They go up faster and sell faster.

Most important of all, prefabrication's modern methods produce a better value—assurance to both buyer and mortgage lender that they have an investment with a sound future. Write for a list of home prefabricators serving your area.



To keep fully informed of new developments in this fast growing field, subscribe to "PF", official monthly journal of PHMI.

PREFABRICATED HOME MANUFACTURERS' INSTITUTE



933-20th Street, N.W.
Washington 6, D. C.

Ownership®

"UNDER ALL IS THE LAND"

A program to stimulate the most powerful asset of a successful Realtor

Word-of-Mouth Recommendations

What is your best source of prospects? Most leading Realtors will answer such a question with a determined, "Word-of-mouth recommendations."

Call them word-of-mouth recommendations, personal references, referrals, or what you will, a successful Realtor is largely dependent on what people are saying about him. That's the foundation of his business.

Recommendations are important to any business man but because of the very nature of real estate, third party influence is especially important to you as a Realtor. You serve a client relatively few times in his lifetime. People can't sample your wares or your services. You have no national brand to talk about. You have essentially no standardized product to sell. Rather you are selling your integrity and your service — your skill and experience and knowledge of real estate.

So how can you stimulate favorable recommendations? How can you keep favorably before the people of your community?

First, you must merit confidence by dealing fairly, wisely, and conscientiously. But you can go further in developing that confidence and goodwill

by rendering a service to those key persons in your community who are the best source of recommendations — employers of labor, civic leaders, prominent professional men from whom others seek advice. Because people know little about real estate and deal in it infrequently, they invariably seek the advice of those persons whose opinions they respect. They ask, "I'm thinking of buying a house, what Realtor would you suggest I see?" or "What do you think of Jones Realty?"

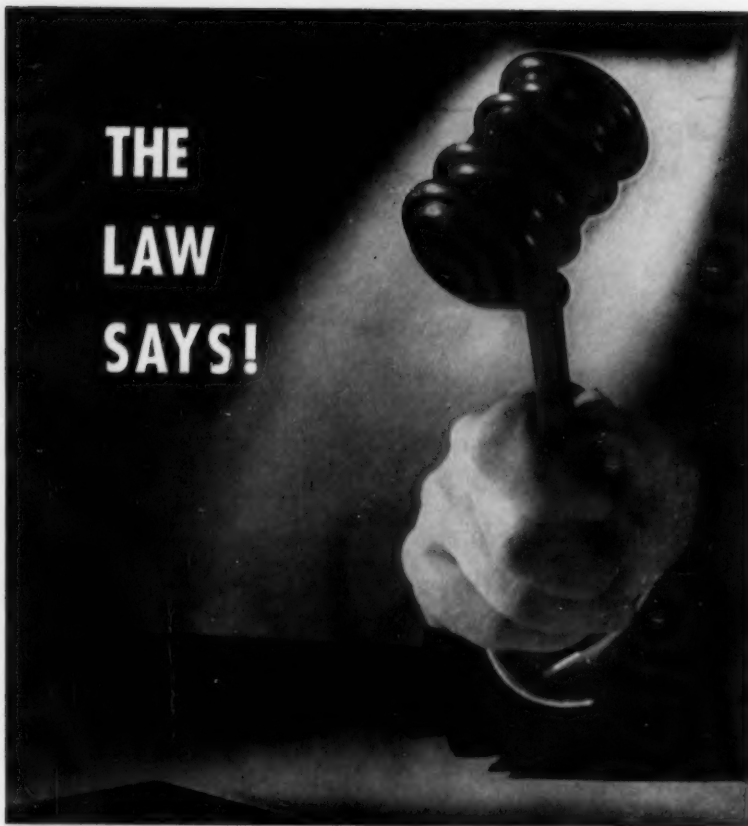
Working with leading Realtors, NATIONAL REAL ESTATE AND BUILDING JOURNAL has developed a program to fill this long-felt need in public relations — a program for the exclusive use of one outstanding Realtor in each community. OWNERSHIP, this new service, helps enhance reputation, build goodwill, and mold favorable public opinion for the Realtor who is selected for the franchise.

OWNERSHIP tells the up-to-date real estate story — the facts about your business — interestingly and authentically to the influential persons in your community. But most important, it renders a service and impresses upon these people the high standards by which you operate — the way you do business. OWNERSHIP commands the respect and interest of those members of your community who are in the best position to refer others to you.

The exclusive franchise for the use of OWNERSHIP is available to Realtors only and is awarded to only one qualified, recommended firm in each community.

If you are interested in learning whether the franchise is available in your community and in being considered for this program, address your inquiry to

THE LAW SAYS!



Does fraud by a third person affect the validity of a contract? In what situations do common law trusts serve the purpose better than a corporation? What one thing must be guarded against in a liquidation trust? Here are the answers by our legal counselor.

DAUBENPECK was very anxious to dispose of his building, but it was a white elephant and not easy to dispose of. He got a prospect but the prospect was not interested. Then Daubenpeck got a friend of the prospect, who was not adverse to acquiring a little ill gotten gain, to approach the prospect. The way the friend did it was to tell the prospect in "confidence" of a building that the friend intended to buy, and the friend praised the building to the sky, saying that it was a gold mine in disguise, etc., etc. The prospect rushed over to Daubenpeck and signed the contract, and subsequently the deal was closed. Fraud by a third person does not affect the validity of a contract, unless it was with the knowledge and consent of the party to the contract. But, you will say that this was with his knowledge and consent. Then I will say to you, "how is the buyer going to prove it?" He simply can't because the friend isn't

going to incriminate himself, and the seller is not. I don't feel much sympathy for the buyer, because he was willing to doublecross his friend, and since he was willing to do this, he deserved to be doublecrossed himself.

MANY years ago there was a good deal of talk among lawyers about common law trusts. Clients came to our offices and asked us about them. One lawyer advertised in the daily press that he was a specialist in organizing common law trusts and his fee was \$25. He had a good form for such a trust and it was only a matter of copying it, changing names and amounts.

I thought if he could do it I could, and I bought a book on the subject and read it through carefully, but never actually was called on to draw such an agreement.

A common law trust is a trust organized to do a commercial business. They originated and are

By **GEORGE F. ANDERSON**

popular and used extensively in Massachusetts, so much so that they are sometimes called "Massachusetts Trusts."

In a few situations they serve the purpose better than a corporation. One such situation is liquidation trusts which are really common law trusts. There is one thing that one must guard against in such an agreement and that is not to give the shareholders control over the trustees. If they have control over the trustees it becomes a partnership and not a trust. Some common law trusts went so far as to provide for the election of trustees the same as directors of a corporation, and it is this that makes them partnerships.

In liquidation trusts it was highly desirable for the shareholders to exercise some control over the trustees. Some lawyers inserted a provision authorizing the shareholders to remove a trustee for misconduct and to elect a successor, the shareholders to be the sole judges of misconduct.

We have one great case on common law trust in this State, and that is the case of *Schumann-Heink vs. Folsom*, 328 Ill. 321. Madam Schumann-Heink, evidently not earning enough money by singing invested money in the Goodland Company, a Common Law Trust, the contract creating the same being executed and delivered in Boston, Massachusetts, May 21, 1919. She sued the trust on a contract under which she was entitled to some money, and she included all the trustees personally, one of whom was Richard S. Folsom, a Chicago lawyer.

The court held that Common Law Trusts were not against the public policy of this state, but laid down the following precepts: "Where under the declaration of trust the unit holders retain control over the trustees and have authority to control the management of the business, the partnership relation exists. . . . On the other hand, where the declaration of trust gives the trustees full control in the management of the business of the trust and the certificate holders are not associated in carrying on the business and have no control over the trustees, then there is no liability as partners."

Product Progress

(Continued from page 12)

by a switch which detects changes in water pressure. The pumps range in size from the small residence pressure booster to those required for the large multi-story apartments or hotels.

They Stay Stuck

1-6

A new improvement in their line of Self-Sticking Pipe Markers, which makes them unaffected by extreme temperatures of the pipes to which they're applied, is announced by W. H. Brady Company, Milwaukee. It is claimed the markers will stick to pipes at continuous temperatures from minus 300 degrees F to plus 300 degrees F . . . intermittent temperatures to 450 degrees F. The markers come mounted on handy Dispenser Cards for quick application in three printing styles, for large, medium and small diameter pipes.



Four In One

1-7

An "Electric Kitchen Center" is announced by General Electric Company of Louisville, Kentucky. It's a single kitchen service with built-in appliances — a combination washer-dryer, a disposal-equipped sink, an automatic dishwasher, and an electric range

complete with storage drawer. All the appliances are grouped under an eight and one-half foot heavy-duty, seamless stainless steel top containing a sink bowl and four high-speed flush-mounted Calrod cooking units. The entire center may be placed as a single installation in any type of kitchen.

New Horizons

1-8

Here's the newest model of United States Steel Homes, Inc., the housing subsidiary of U. S. Steel Corporation. It's called the "Visionaire" and heads the company's 1955 product line. Low, rambling, and L-shaped, it is designed to meet modified contemporary trends. The "Visionaire" will be produced and marketed during February, 1955. It will be offered in three and four bedroom, two-bath versions. Some of the selling features are eye-level ovens and table-top range, fold-away dinette and storage walls with many built-ins rather than conventional walls. The "Visionaire" will be priced in the four bedroom size, at approximately \$22,500 including two-car garage, landscaping and lot.



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Among Ourselves

A court battle rages over a backyard fence in Levittown, Pennsylvania. Levitt and Sons, Inc., builders of the 11,000 home "model" community brought suit against the Robert E. Schmidt family for violating company restrictions by building a fence around their back yard patio. This will be the first court test of the restrictions. Mrs. Schmidt took an opening pot shot at the restriction, saying that her fence "looks a lot better than some of these sloppy backyards you have to look at."

U. S. Supreme Court Justices voted unanimously to uphold a Washington D. C. law which authorizes city redevelopment projects to condemn properties in slum areas for "aesthetic" reasons. Writes Justice William O. Douglas, "... If those who govern the District of Columbia decide that the nation's capital should be beautiful as well as sanitary, there is nothing in the Fifth Amendment that stands in the way." This means, in Justice Douglas' words, "Property may, of course, be taken for this redevelopment which, standing by itself, is innocuous and unoffending."

There's a mechanical giant called the "Tournamover" that moves houses at a two-a-day clip. Hundreds of houses have been moved from the paths of the Pennsylvania and New Jersey turnpikes by a house-moving company with a machine "like nothing else in the world." To give some idea of its size, the wheels are nine feet high. The body of the machine is shaped like a huge letter "U" with 36 feet between the arms. The "monster" engulfs a house in its arms, carries it to the new site and lowers it gently into place. Its owner, house mover James W. Hartshorne of Moorestown, New Jersey, says it makes his job much easier by cutting out the expense of jacking-up houses, then putting dollies under them.

Good news for northern home-owners with back aches from shoveling snow. According to the Plumbing and Heating Bureau, you can now melt the snow off your walks at a mere five cents an hour. Most home heating plants, explains the Bureau, are designed for outdoor temperatures of ten degrees below zero or lower. Weather records show that 87% of all snow falls when temperatures are between 10 and 35 degrees above zero. So, boilers already have excess capacity for snow melting. Piping is installed beneath walks and drives. Mr. Homeowner simply flips a switch as the first flakes begin to fall.

Your home or apartment modernization projects may get national recognition if you have entered them in the contest sponsored by the Build America Better Council. (Entry deadline was January 1.) Fritz Burns, Los Angeles Realtor-builder, announces that John McC. Mowbray, Baltimore, and Waverly Taylor and Carey Winston both of Washington, D. C. are judges. Awards of five-day, all-expenses-paid trips to Washington will go to Realtors who display the best improvements of single-family, detached homes; small, multi-family houses; and apartment buildings. Selections will be made in Washington this month.

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